# Report

OF THE

# Bombay Chamber of Commerce

## FOR THE YEAR 1938

LIBRARY OF THE BOMBAY BRANCH OF THE ROYAL ASIATIC SOCIETY

(*Established 22nd Septem[illegible]1836*)

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1939

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OF THE

ROYAL ASIATIC SOCIETY.

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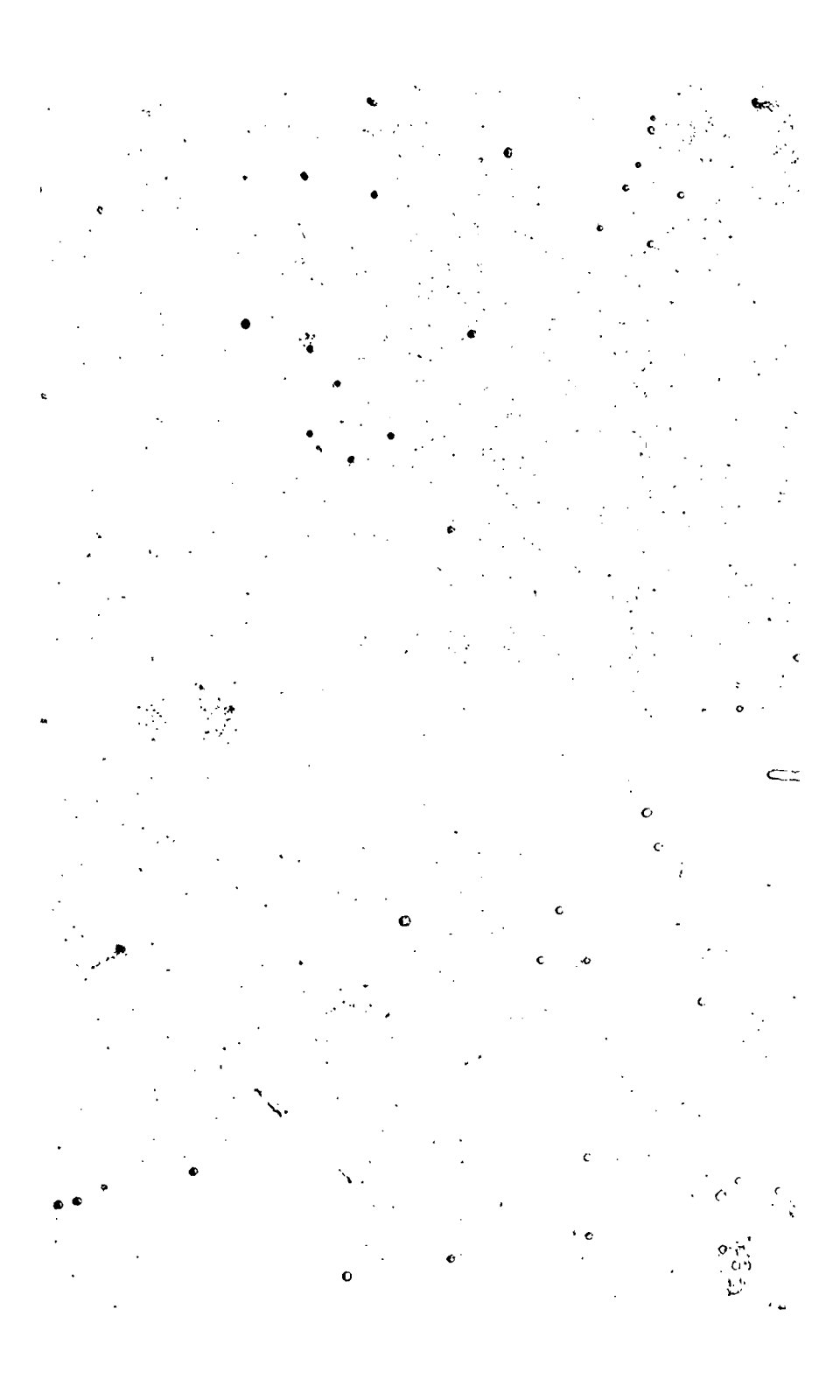

# REPORT

OF THE

# COMMITTEE

OF THE

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# Bombay Chamber of Commerce

## FOR THE YEAR 1938

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**Presented to the Annual General Meeting held on 15th March 1939.**

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ESTABLISHED 22ND SEPTEMBER 1836.

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† Mr. S. Fuchsmann resigned his seat in September 1938 and Mr. W. A. Bell was appointed to serve in his stead.
§ Mr. G. J. H. Walls resigned his seat in April 1938 and Mr. A. P. Powles was appointed to serve in his stead.
‡ Mr. A. P. Powles resigned his seat in April 1939 and Mr. G. J. H. Walls was appointed to serve in his stead.

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| ,, ,, .. | A. P. DARLOW, ESQ. |
| *Bombay Board of Communications* .. | G. H. RICHMOND ESQ. |

## CHAIRMEN, PRESIDENTS AND SECRETARIES OF THE BOMBAY CHAMBER OF COMMERCE.

*Chairmen.*

| | | | |
|---|---|---|---|
| J. Skinner .. | 1836–37 | A. H. Campbell .. | 1852–53 |
| M. T. Brownrigg .. | 1837–38 | H. B. Gilmour .. | 1853–54 |
| H. G. Gordon .. | 1838–39 | James Graham .. | 1854–55 |
| J. Skinner .. | 1839–40 | W. F. Hunter .. | 1855–56 |
| T. R. Richmond .. | 1840–41 | A. T. Binny .. | 1856–57 |
| C. B. Skinner .. | 1841–42 | H. B. Gilmour | |
| S. D. Murray .. | 1842–43 | John Fleming .. | 1857–58 |
| J. Wright .. | 1843–44 | Robert Ryrie .. | 1858–59 |
| E. Lyon | | H. D. Cartwright | 1859–60 |
| T. Cardwell .. | 1844–45 | Henry Scott .. | |
| J. Smith .. | 1845–46 | Andrew Grant | |
| W. Graham .. | 1846–47 | George Hamilton | 1860–61 |
| John Parsons .. | 1847–48 | George Lord .. | |
| A. G. Latham .. | 1848–49 | James N. Fleming | 1861–62 |
| Robert Strong .. | 1849–50 | Michael H. Scott | |
| W. S. Grey .. | 1850–51 | Robert Hannay | 1862–63 |
| John Parsons .. | 1851–52 | Alexander Brown | |

*Chairmen*—contd.

| | |
|---|---|
| Andrew Grant | 1863–64 |
| A. C. Gumpert, Alexander Stewart | 1864–65 |
| A. J. Hunter | 1865–66 |
| W. Christian, A. J. Hunter, Alexander Brown | 1866–67 |
| J. Foggo | 1867–68 |
| Hamilton Maxwell | 1868–69 |
| H. E. Astley, D. Graham | 1869–70 |
| A. D. Grant | 1870–71 |
| W. G. Hall | 1871–72 |
| J. K. Bythell | 1872–73 |
| H. E. Bright, E. Lord | 1873–74 |
| D. Watson | 1874–75 |
| J. A. Forbes | 1875–76 |
| G. F. Henry, Donald Graham | 1876–77 |
| Walter Lang | 1877–78 |
| M. Mowat | 1878–79 |
| C. Macdonald | 1879–80 |
| J. N. Graham | 1880–81 |
| E. Comber, W. M. Macaulay | 1881–82 |
| James Thorburn | 1882–83 |
| Sir F. Forbes Adam, Kt., C.I.E. | 1883–84, 1884-85, 1886, 1887, 1888, 1889 |
| A. F. Beaufort | *1890 |
| L. R. W. Forrest, | *1890, 1891, *1892 |
| J. L. Symons | *1892 |
| R. S. Campbell | *1893 |
| W. R. Macdonell, | 1893*, 1894, 1895 |
| A. F. Beaufort | 1896 |
| A. Abercrombie | 1897 |
| R. H. Macaulay | 1898 |
| A. Abercrombie | 1899 |
| William Greaves, | 1900, 1901, *1902 |
| J. M. Dick | *1902, 1903 |
| C. H. Armstrong | 1904, 1905 |
| H. E. E. Procter | 1906 |
| C. H. Armstrong | 1907 |
| Sir Henry Procter, Kt. | 1908 |
| C. H. Armstrong | 1909 |
| R. G. Monteath | 1910 |
| Sir Chas. Armstrong, Kt. | 1911, 1912, 1913 |
| Marshall F. Reid, C.I.E. | 1914 |
| T. W. Birkett | 1915 |
| J. S. Wardlaw Milne | 1916 |
| Malcolm N. Hogg | 1917, 1918 |
| Nigel F. Paton | 1919 |
| A. H. Froom | 1920 |
| H. P. W. Macnaghten | 1921 |
| Sir Frank Nelson, Kt., | 1922, 1923 |

*Presidents.*

| | |
|---|---|
| L. S. Hudson | 1924 |
| V. A. Grantham | 1925 |
| Sir Joseph Kay | 1926 |
| Sir Leslie Hudson | 1927 |
| Sir Hugh Cocke | 1928 |
| G. L. Winterbotham | 1929 |
| J. R. Abercrombie, M.C. | 1930 |
| E. Miller | 1931 |
| R. R. Haddow | *1932 |
| Sir Hugh Cocke | *1932 |
| W. G. Lely | 1933 |
| G. L. Winterbotham | 1934 |
| Sir John Abercrombie, Kt., M.C. | 1935 |
| L. A. Halsall | 1936 |
| G. H. Cooke | 1937 |
| A. McIntosh | 1938 |
| A. K. G. Hogg | 1939 |

*Secretaries.*

| | |
|---|---|
| R. X. Murphy | 1836–38 |
| J. E. Brenan | 1838 |
| R. X. Murphy | 1838–41 |
| T. J. A. Scott | 1841–46 |
| John Common | 1846–57 |
| John Mawson | 1857–59 |
| J. A. Crowe (Acting) | 1858–59 |
| H. Brooke | 1859–64 |
| James Taylor | 1864–73 |
| John Gordon | 1873–84 |
| David Watson (Acting) | 1881–82 |
| John Marshall | 1884–98 |
| Frederick Noel Paton | 1898–1905 |
| J. B. Leslie-Rogers | 1905–1911 |
| R. E. Gregor-Pearse | 1912–1920 |
| C. B. Sayer | 1921–1925 |
| R. J. F. Sulivan | 1925–1937 |
| C. H. Courthope-Munroe | —Appointed 1937. |

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| 250 | 0 | 0 | 25 | 0 | 0 | 3 | 2 | 0 | 12 | 0 | 0 | 1 | 0 | 0 | Mail. |
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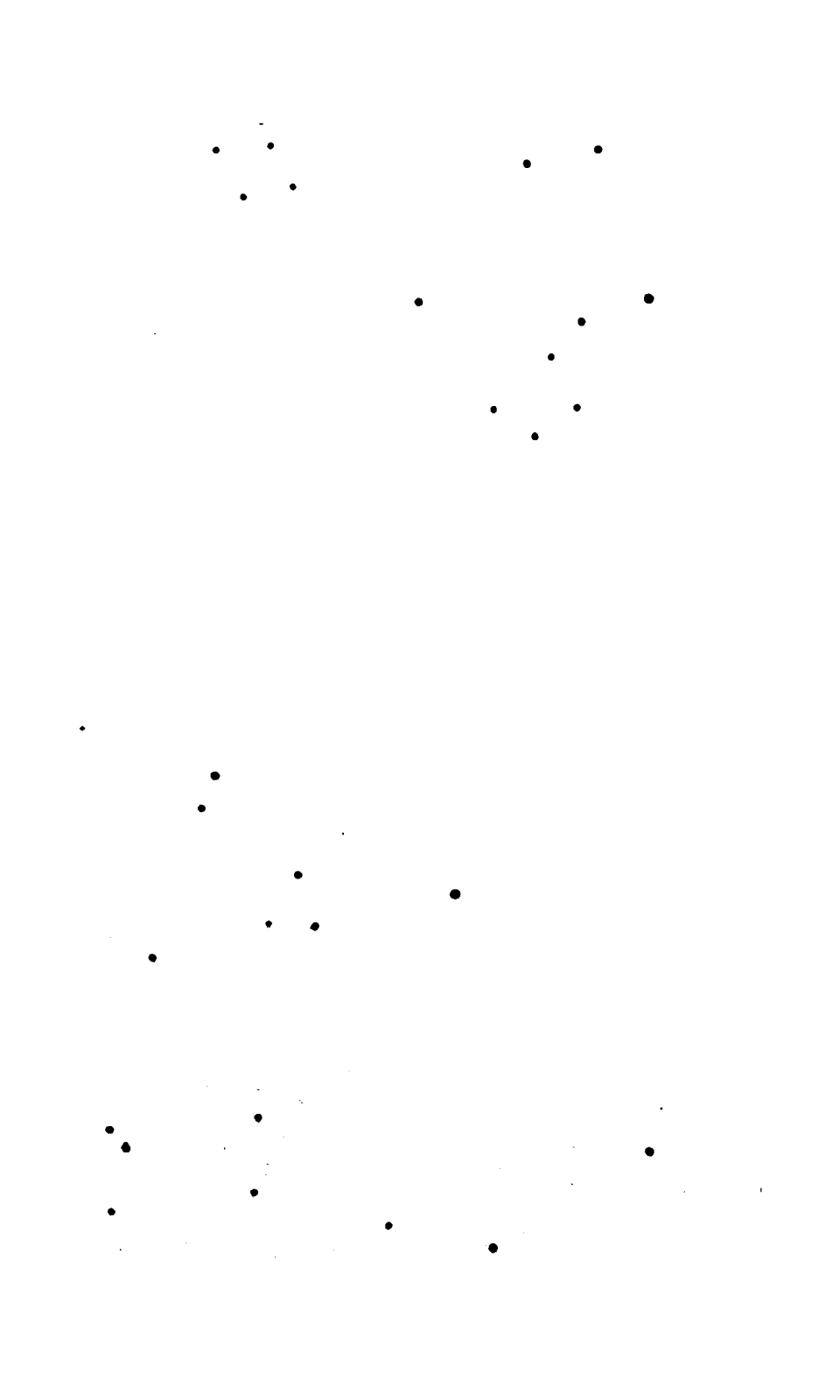

# Bombay Chamber of Commerce

## ANNUAL GENERAL MEETING

THE Annual General Meeting of the Members of the Bombay Chamber of Commerce was held in the rooms of the Chamber, Mackinnon Mackenzie and Company's Building, Ballard Estate, on Wednesday, 15th March 1939, at 11-30 a.m., to transact the following business :—

1. To adopt the Report of the Committee of the Chamber for the year 1938.
2. To confirm the nomination of the members of the Committee of the Chamber for the year 1939/40 in accordance with the provisions of Article 37(*g*).
3. To appoint Auditors of the Chamber's accounts for the year 1939 and to fix their remuneration.

Any other business that may be brought forward.

Mr. A. McIntosh, President of the Chamber, presided and was supported by Mr. A. K. G. Hogg (Vice President), Messrs. W. A. Bell, C. P. Bramble, M.L.A., R. W Bullock, W. L. Clement, R. C. Lowndes, A. P. Powles, and R. Scherer, Members of the Committee.

Among those present were :—

His Excellency Sir Roger Lumley, G.C.I.E., T.D., Governor of Bombay ; Sir Gilbert Wiles, K.C.I.E., C.S.I., I.C.S., Chief Secretary to the Government of Bombay, Political and Services Department ; The Hon'ble Mr. J. B. Pandya, Member of the Executive Council, Kenya ; Mr. P. N. Chandavarkar, Offg. Collector of Customs ; Mr. J. R. T. Booth, C.I.E., I.C.S., Postmaster-General ; Mr. R. Singh, Presidency Postmaster ; Lt.-Col. A. J. Ransford, C.I.E., R.E., the Mint Master ; Mr. Sultan Chinoy, J.P., Mayor of Bombay ; Mr. F. A. Borissow, the Docks Manager, Bombay Port Trust ; The Chairman, Bombay Underwriters' Association ; Sir William Lamond, Managing

Director, Imperial Bank of India; Lt.-Colonel W. H. Hammond, Chairman, European Association (Bombay Branch); The Consul-General for Germany; The Editor, *Indian Textile Journal*; Sir Leslie Hudson, Kt.; Mr. W. J. Wells, Master, Bombay Presidency Trades Association; Mr. V. N. Chandavarkar, Bombay Millowners' Association.

The following members of the Chamber attended the meeting:—

| | |
|---|---|
| Mr. R. C. Schneider .. | A. E. G. India Electric Co., Ltd. |
| ,, F. Wulfestieg .. | |
| ,, G. A. H. Alexander . | G. A. H. Alexander. |
| ,, D. F. Macmillan .. | Andrew Yule & Co., Ltd. |
| ,, L. A. Halsall .. | Anglo-Siam Corporation, Ltd. |
| ,, Jal P. Eranee .. | Bell Russ & Co. |
| Sir Ness Wadia, K.B.E., C.I.E. | Bombay Dyeing and Manufacturing Co., Ltd. |
| Mr. Phillip T. Harrison .. | |
| ,, A. S. Trollip .. | Bombay Electric Supply and Tramways Co., Ltd. |
| ,, A. L. Guilford .. | |
| ,, W. T. Lane .. .. | Bombay Gas Co., Ltd. |
| ,, L. W. Boulter .. | |
| ,, W. E. Gladstone .. | |
| ,, W. O. A. Young .. | Bombay Steam Navigation Co., Ltd. |
| Sir Joseph Kay, Kt., .. | W. H. Brady & Co., Ltd. |
| Mr. A. H. Baker .. | |
| ,, D. Moir .. .. | |
| ,, G. H. Cooke .. | Burmah-Shell Oil Storage and Distributing Co., of India, Ltd. |
| ,, G. H. Richmond .. | |
| ,, W. H. P. Landon .. | |
| ,, D. W. Mullock .. | |
| ,, D. J. C. Wallace .. | |
| ,, J. N. Peyton .. .. | |
| ,, W. J. Burrows .. | W. J. Burrows |
| ,, W. G. McKee .. | P. Chrystal & Co. |
| ,, O. Wuthrich .. ... | Ciba (India), Ltd. |
| ,, C. W. Warrington .. | Cox and Kings (Agents), Ltd. |

| | |
|---|---|
| Mr. G. J. Kreczmer .. | Chemdyes, Ltd. |
| ,, J. G. Vecqueray .. | English Electric Co., Ltd. |
| Commander H. J. Miller, R.N.R. .. .. | Ericson and Richards. |
| Mr. M. A. Fazalbhoy .. | Fazalbhoy, Ltd. |
| ,, B. J. Whitby .. | A. F. Ferguson & Co. |
| ,, G. Furze .. .. | James Finlay & Co., Ltd. |
| ,, C. F. Morris .. | |
| ,, G. E. Corey .. .. | Ford Motor Co. of India, Ltd. |
| ,, R. Trotter .. .. | H. J. Foster & Co., Ltd. |
| ,, A. P. Darlow .. | Gill & Co. |
| ,, J. L. Dickie .. .. | Gillanders, Arbuthnot & Co. |
| ,, T. Sinclair Kennedy . | Glenfield and Kennedy, Ltd. |
| ,, J. G. Calderwood .. | |
| ,, W. Nielson .. .. | The East Asiatic Co., Ltd. |
| ,, J. B. Greaves, M.L.A. | Greaves Cotton & Co., Ltd. |
| ,, Geo. J. Kreczmer .. | Havero Trading Co., Ltd. |
| ,, R. C. Giles .. .. | Killick Nixon & Co. |
| ,, V. F. Noel Paton .. | |
| ,, D. Stewart Brown .. | |
| ,, W. W. Russell .. | |
| ,, A. A. Walter .. | Kinematograph Renters' Society of India, Burma and Ceylon, Ltd. |
| ,, O. Z. Steffens .. | Krupp Indian Trading Co., Ltd. |
| ,, I. B. Dick .. .. | Latham Abercrombie & Co., Ltd. |
| ,, E. F. Soprani .. | Lloyd Triestino Navigation Co |
| ,, A. T. O. Deas .. | Mackinnon Mackenzie & Co. |
| ,, G. E. Bain .. .. | |
| ,, I. S. Anderson .. | |
| ,, R. S. Larkin.. .. | |
| ,, D. H. Beath .. | |
| ,, W. E. Petrie .. | |
| ,, H. A. Haverson .. | |
| ,, I. B. Scott .. .. | |
| ,, R. E. A. Stovold .. | |
| ,, G. A. Adamson .. | |

| | |
|---|---|
| Mr. Cavasji Cursetji Dalal | Moolji Jaitha & Co. |
| „ C. F. Briggs .. | Muller and Phipps (India), Ltd. |
| „ A. C. Hinrichs .. | Parke Davis & Co. |
| „ A. T. Robinson .. | Purdie & Co. |
| „ C. J. Damala .. | Ralli Bros., Ltd. |
| „ A. G. Sotiriadi .. | |
| „ M. Paspati .. .. | |
| „ H. G. Pirrie .. .. | Richardson and Cruddas. |
| „ F. Stones, O.B.E., M.L.C. | E. D. Sassoon & Co., Ltd. |
| „ S. A. Schueder .. | Schering (India), Ltd. |
| „ D. E. Gough .. | Society of Motor Manufacturers and Traders, Ltd. |
| „ Rupert R. Bury .. | J. Stone & Co., (India), Ltd. |
| „ L. A. Stronach .. | L. A. Stronach & Co., (India), Ltd. |
| „ W. L. A. Radcliffe .. | Turner Morrison & Co., Ltd. |
| „ C. A. Fountain .. | |
| „ J. Vonesch .. .. | Volkart Brothers. |
| „ C. F. Buser .. .. | |
| „ A. Stiefel .. .. | |
| „ H. A. Tod .. .. | |
| „ J. M. B. Gibbons .. | Wallace & Co. |
| „ S. R. Bhagat .. | Western India Oil Distributing Co., Ltd. |
| „ W. M. Martin .. | Wolverhampton Works Co., Ltd. |
| D. Laidlaw .. .. | Chartered Bank of India, Australia and China. |
| „ A. McCulloch .. | Imperial Bank of India. |
| „ W. Kerr .. .. | National Bank of India, Ltd. |
| „ A. S. Chadwick .. | Pearl Assurance Co., Ltd. |
| „ E. G. Wills .. .. | The South British Insurance Co., Ltd. |
| „ E. E. Trussell .. | |
| „ H. Chamberlain .. | Sun Life Assurance Co., of Canada. |
| „ L. B. Heale .. .. | |

Mr. C. H. Courthope-Munroe, Secretary, and Mr. H. Royal, M.B.E., Assistant Secretary of the Chamber.

The notice convening the meeting having been read MR. A. MCINTOSH, in opening the proceedings, said :— Your Excellency and Gentlemen,—My first pleasant duty is to extend a welcome on behalf of all members of the Bombay Chamber of Commerce to His Excellency the Governor of Bombay; to express our appreciation of his presence here to-day, and to voice our thanks for that continued interest in our affairs which has made it possible for him to be with us once again at our annual meeting. We all realise that the pressure on his time is great and that in regard to many of the affairs that interest us his view point is necessarily a wider one than the closer horizon which is our immediate concern. Therefore, we are grateful for his ever-present interest in those commercial problems and developments which are a not unimportant part of the life of the country as a whole. We welcome too all those other visitors who are with us to-day, and I thank them for that interest in our doings which their presence implies.

Before proceeding with the business of this meeting, I wish to refer to the passing of Lord Brabourne. On four occasions he was with us at this annual meeting of ours. Those of us who had the privilege of personal contact with him in Calcutta as recently as December last could see that his personal regard for Bombay had not disappeared and that he was still interested in all news of this city and its people. When you, Sir, flew to Calcutta less than a month ago your rapid journey was symbolic of the spontaneous sense of grief and loss which had arisen everywhere. The memory of Lord Brabourne will be held in esteem and affection by men and women of every community and creed.

When His Excellency the Viceroy addressed the opening session of the Associated Chambers of Commerce of India in Calcutta last December, he referred to the new formative period on which human life on this planet appeared to be about to enter. The history of the world during the last 12 months is laden with a significance which thoughtful

minds will appreciate and understand. Not least is it so in regard to the development of trade and industry and the progress of the commercial relations of nations. It would seem that self-determination, the great slogan of the war to end war, is slowly but surely working itself out to a final conclusion in so far as the principle has been applied to the material needs of man's existence. The wide trading horizon of the last three quarters of the nineteenth century is disappearing, and we now find in many directions a growing system of direct barter of commodities more in keeping with the atmosphere of the very earliest days of commerce and more in sympathy with the trading adventures of three centuries ago than with the world-wide communications and transport of to-day. World commercial development of the last hundred years has presumed a measure of world-wide co-operation in the progress of the standard of living which in the main has been characteristic of that period. Mass production of wheat in selected parts of the world, mass production of cotton in others, tea, rubber, meat and other foods elsewhere, has all implied a tranquillity in human relationships which, on the whole and with minor departures, can be said to have been the fact. Despite national and cultural differences, the material interests of the whole human race had a certain measure of recognition in a system of world trade which, though not entirely free, had yet achieved a degree of freedom which many of us in these days look back upon with justifiable regret.

Let me not be misunderstood. Without tranquillity and confidence trade cannot flourish or a standard of living be maintained, and my regret is based on the fact that insecurity and disunity now prevent the peoples of all nations from full enjoyment of all the impressive amenities which industry and commerce, allied to science and invention could so lavishly dispense.

The world discards unity and discards tranquillity. Mankind may in consequence be the better and thereby be shaped into a more heroic mould. I am not sufficiently

a philosopher to answer. But considerable heroism is implicit in those great changes of social structure which will be necessary if the growers of wheat are to grow no more wheat than will permit them to bake their own bread, to build their own houses, to make their own clothes. There will be little time for ships and navigation except the ships and navigation of sanguinary adventure, and certainly little scope for Chambers of Commerce. If the politics of nations accepted frankly the restriction of international trade as an end desirable in itself, we could understand that view ; but on the contrary all countries strive their utmost by every form of arrangement, agreement and device to achieve an end which their politics would seem so frequently to belie. The history of 1938 suggests in an increasing degree of urgency the basic question " What is it that is really wanted. ? " The conclusion of the Anglo-American Trade Agreement might imply a wish to return to the methods of earlier years, but, by and large, the desire for economic sufficiency is still the dominant motive of most of the world's commercial life and work. This policy has its price, and I think it is now becoming increasingly clear that this price may be a bill of costs for national defences which may well exceed the greatest loss which could possibly arise for any nation in the worst circumstances of a world of free trade.

We may well ponder these alternatives for there appears little prospect of their seriousness being diminished. On the one hand there is a condition of relative affluence, the whole world as a market place, on the other, territorial restriction which is both the cause and the effect of suspicion, distrust, envy and resentment. The world at present appears to be choosing the latter course, and there is already apparent that increased relative expenditure on war and preparations for war which will always arise when the castle moat and the walled town become the most important features of civic architecture. The protagonists of liberal economics years ago must have unconsciously

permitted some slight tincture of their religious faith to colour their commercial outlook, for I suggest that they built perhaps better than they knew.

Such considerations as I have tried to express may well be in the minds of those who give their thought to the planning of commerce and industry. If there is a single subject of commercial interest which has stood out above others in recent years, it is that of economic planning. To plan is a sign of foresight and intelligence, and the planning of economic activity is as desirable as the planning of a house to be built. But in the house to be built, the judging of the plan and the approval of its suitability lies with the man who is to live in the house. The approval of economic planning lies in its ability to satisfy the best wants of the greatest number. The expression of that approval has been hitherto the free structure of a world price market. Things wanted have been supplied against that profitable demand which can only come from the needs of large masses of people. Things not wanted have been rejected. It may be possible to substitute some other criterion of value. The personal preferences of some master mind might prove to be such a substitute, but for myself I feel that a free price structure, influenced by the forces of education and ethics acting on individual personality, is a form of planning for material good which can be but little improved by, any other form of restriction or control.

It is easy for any of us as individuals to conceive a plan of commercial activity more nearly moulded to our own heart's desire. But true planning implies magnanimity of outlook. We require plans for the agriculturist whose future produce may be reduced from the thousands of tons sent all over the world to the few tons which will satisfy his local demand. We want plans for the industrialist whose product and price is based on world-wide demand and who may have to look to a future of national or possibly parochial demand. The wit of man may prove equal to such a task. And I trust that the final audited statement of

affairs will not overlook the costs of insulation and the defence of insulation which are bound to be the increasing price paid for the advantages which may accrue.

The history of recent years in all the nations is an eloquent commentary on the desire for material self-sufficiency without the courage to approve and accept the frugality which that self-sufficiency implies. I am therefore glad to see signs, in well informed quarters, of a disposition to depart from the old arguments that imports are in themselves an undesirable thing. More emphasis is being placed on the desirability of increasing the production of indigenous goods not with the sole purpose of displacing imported goods but with a view to raising the volume of wealth produced in the country and thereby increasing the potential demand for imported goods of a nature which would otherwise never be required by this country on its present standard of living. One cannot with reason resist the view that the nature and type of goods imported must change with the economic progress of the country. Thirty years ago the imports of motor cars were negligible and the benefits of electrical inventions were hardly known. Who can say what India may be importing in another thirty years. Import she must if she is to march in step with the progress of the world as a whole. And indeed how otherwise will she be paid for the exportable margin of increased internal production which her industrialists are already beginning to anticipate and hope for. But what those imports shall be is a question to which the internal agricultural and industrial development of the country will provide the answer. This in my view is the true position to be occupied by imports in the economy of the country as a whole. Unless it is accepted serious dislocation of our foreign trade relations must occur and an inadequate view of the consequences of a too restricted view of economic planning can but result in problems for the agriculturist which may well prove more serious to the India of to-day than any counter advantage which may accrue to her non-agricultural economy. What is probably the greatest

and most successful attempt to achieve every possible degree of self-sufficiency has culminated recently in a frank admission from the political head of that great experiment that "we must export or die." National death is not the alternative to a complete absence of export and import trade. But in my view the alternative is either a condition of such frugality as cannot be contemplated with complacency or a position of seclusion which will stimulate the cupidity of those who may resent it. Economic self-sufficiency for India as a whole is open to serious criticism. Much more so would that criticism apply to separate states or provinces. Though complete individual anarchy is the logical outcome of full self-determination no responsible opinion has ever gone so far. The need of a wider unity is generally accepted. The history of the last year suggests that that unity should be the very widest possible. Any reference to this broad aspect of schemes of economic planning would not be complete without noting that control of money and currency which must be the handmaiden of all effort in this direction. Devaluation of currency may be a means of a ready adjustment of the relations of debtors and creditors in any society. Few advocates of this particular type of control frankly urge that purpose. It is said that gold, acting within a structure of free prices and free exchanges, has proved inadequate in regulating the equitable relationship of buyers and sellers of goods. Higher prices and consequent prosperity it is said must follow consciously planned action. So for years now we have seen planning to that end. But if we compare prices of goods in 1913 with prices of similar goods in 1938, we find that the only commodity which has registered a consistent and a stable increase has been gold itself. Does not this indicate clearly that a sound and prosperous economy requires more than anything else tranquility in the present and confidence in the future, so that work of production may rest on a base of security which will justify and encourage initiative and effort.

I offer no conclusions to the thoughts I have expressed. I merely suggest that they may well be the subject of serious consideration by all those who can influence commercial and industrial progress in the year ahead.

Turning now from those general considerations which must have been the background of much thought on commercial and industrial problems during the year which has ended, I will ask for your patience and attention whilst I deal with a few of the matters of more immediate concern to our Chamber and which have engaged the attention of your Committee during the year. The report in detail is in your hands, but you may wish for some elaboration of the more important developments of the year.

Amongst these, I place Federation first. This is not the occasion to consider its political significance. We are concerned with its economic significance. And in our address to His Excellency the Viceroy on the occasion of his recent visit to Bombay, we tried to emphasize that aspect of the problem. We in Bombay have had very recent experience of the diversion of trade which followed a policy of high customs duty allied to discriminating protection of industry. In their turn, the non-maritime states in other parts of India, as potentially competitive sovereign territory, are showing increased interest in industrial planning. So the view I would press on your attention is the economic view of Federation. As in the U.S.A. so in India, the widest possible internal area of unified economic policy can be nothing but good for the country as a whole, and I myself feel that in such a state of unity in regard to all commercial and industrial legislation, the country may view many of its other problems with less anxiety if not with complete equanimity.

During the last few years, Central Legislation has been of special interest to Associations such as ours for the general trend has been towards a steady consolidation of commercial law.

The passing of the Companies Act was followed in 1938 by the enactment of a comprehensive Insurance Act, and some few months ago a Bill for the Registration of Trade Marks in India was under examination and legislation is expected to be introduced in the near future. This latter Bill will bring to a conclusion a discussion which has been carried on from time to time for more than sixty years. and the progress of opinion on this subject is an Index of the industrial development of India.

I do not propose to mention in detail the various other legislative measures which have come from the Central Government, but I cannot omit reference to one important Bill which will have far-reaching effects. I refer to the Income-tax (Amendment.) Bill which has been passed into law. The Bill was considered by a Special Sub-Committee of the Chamber under the Chairmanship of Sir Geoffrey Winterbotham, to whom we are extremely indebted for a very exhaustive examination which was invaluable in aiding your Committee to frame their views. Many clauses of the Bill have been the subject of much controversy—more particularly those dealing with taxation of world income. The whole question has, however, been constantly reviewed in the Press and I do not propose therefore to comment further here except in so far as to express the view that we welcome those provisions of the Bill which are intended to improve the administration and reduce evasion of payment. We are compelled to recognise that tax on profits plus excise on production must tend to replace Customs duty as a major source of revenue. We do, however, hope that all these changes will increase the efficiency of the collection of the tax from all who are subject to its provisions so that we may reasonably look forward to a reduction in the rate of the tax itself.

The Ottawa Trade Agreement which was concluded in 1932 will terminate at the end of the present fiscal year. Notice was given by India before the commencement of the

present negotiations for a new Indo-British Trade Agreement in 1937, and we have continued on a temporary basis since then. In the negotiations for a trade agreement with the United Kingdom, the Government of India have been led by the Commerce Member, assisted by a panel of unofficial advisers, but, for a variety of reasons, the agreement has not as yet reached completion. The recently signed Trade Agreement between England and America reducing trade barriers, though not directly affecting India, may have certain repercussions on trade between the United Kingdom and India, and an examination of this is no doubt a contributory cause to the delay in reaching the long-awaited agreement between the two countries. Those economic problems which are suggested by a review of the principles of the Ottawa Agreement can hardly be divorced from the wider considerations which I laid before you in the earlier part of my speech, and it is not improbable that such considerations have also been a contributory cause of the delay. If we cannot hope for a world freedom of exchange, the best alternative would seem to be that area of trade which still retains the greatest relative freedom and still possesses for India the greatest relative value. The final decision in this important matter will, I think, possess a significance for the future exceeding in importance the results which may immediately follow upon it.

Turning now to the Provincial sphere, we have to record the first complete year of Provincial Autonomy. In general I would repeat what has already been said on other occasions that in the main Provincial Autonomy in Bombay has been a realistic and reasonable regime, but you will not expect me to say, nor would it be true to say, that the interests which your Committee represent have seen eye to eye with Government on all occasions. In regard to Government's Prohibition policy, for example, we feel that the Province as a whole—and that will mean for us the trade and commerce of the Province—should not be called upon to face the cost of enforcing a view of private conduct which we consider to be in the sphere of ethics

rather than politics. The subjects of excise taxation in the past have usually been reasonably ready and willing taxpayers. The taxation they have paid is not only considerable but it must have been paid with fair goodwill, for its incidence could so easily be avoided by the ultimate consumer without in any way adversely affecting his necessary needs. It seems to me, therefore, that the cancellation of this source of revenue is an intrusion of legislative activity into a purely ethical sphere, and though the missionary zeal which supports it cannot but merit our respect, we feel that a greater realism would require evidence from the experience of such legislation in other parts of the world of the practical success of legislation in dealing with this ethical problem before total prohibition can fairly be considered as justifying that position of importance which it has acquired in the sphere of legislative policy. I would give place to none in my opinion that the excessive consumption of liquor is socially undesirable and in the extreme is a blot to be removed from the life of the community. But if we are to be guided by the experience of one of the world's largest democracies we may fairly conclude that if education and social example cannot remove the cause of human weakness which the policy of prohibition resents penal legislation will merely transfer its activity to some other anti-social channel. This of course is only another way of saying that evolution and not revolution is the sound method of dealing with all social problems. It is said these days that no programme has a hope of success unless it is fortified by the conception of a plan which may be four or five or ten years according to current fashions and moods. How much more is the support of some such conception necessary in dealing with a deep seated problem of personal habits, I am afraid I cannot share the view that such things can be achieved in a single year nor that the revolutionary dislocation of an existing fiscal system in such a short time is reasonable to commercial interests or likely to be effective in the only outcome that could justify it.

In those matters which affect more directly the interests of trade and industry, I am glad to say that we have found Government realistic in outlook. May I say here once again that, as has been said on many occasions from this place, the true interests of capital are in no way antagonistic to the true interests of labour. Contented labour and contented capital, and especially a contented small capitalistic class, is the greatest bulwark of any society. Therefore we have welcomed the legislation to make provision for the promotion of peaceful settlements of industrial disputes. We do not say there should not be any disputes, nor that disputes can be eliminated entirely, but we do say that when disputes arise they should be resolved in an atmosphere of intelligent and accommodating realism and not in an atmosphere of ultimatums and wars. The basic idea of Government's legislation is to ensure that redress of grievances of industrial workers shall be taken in hand without delay, and for this purpose it is provided that no employer can make any alteration in the conditions of service of his employees without giving them due notice. Negotiations would then take place, and only if the parties failed to reach agreement would a trade dispute be considered to have arisen, after which conciliation proceedings would be entered upon. During this period it becomes illegal for an employer to cause a lockout or for workers to go on strike.

After exhaustive examination, your Committee arrived at the view that the Bill in its main provisions met with their full support. Its enactment, without in any way assailing the rights of labour, should go far towards preventing lightning strikes, which, as long experience has shown, actually bring no benefit to the worker but on the contrary entail an entirely unnecessary loss to employers and employees alike.

I hope that members of this Chamber will also find themselves able to support Government in the view that Government will finally adopt in regard to another matter of vital importance to Bombay commercial interests. I

refer to the question of Town Duties and the repeated attempts of the Bombay Municipality to extend their powers of civic taxation in this direction. In this regard we are at one with many other commercial associations of this City and with the administrative authorities of the Port itself. To us it seems axiomatic that the interests of both Bombay Port and Bombay City are bound up in a position of affairs which permits the greatest possible freedom of trade with local charges reduced to the minimum economic cost of handling and transport. To permit the taxation for purely Municipal services of the movement of goods would be a policy adversely affecting in a very direct sense the basis of the prosperity of the city itself. Municipal services and amenities must be paid for, but they should be paid for as a Municipal tax on the value of property within Municipal limits. We have had sad experiences of the diversion of trade in recent years, and I imagine and hope that those experiences will persuade both the Government and the Municipality of the very small incidence of taxation which has the effect of diverting Bombay's trade and Bombay's prosperity to other quarters. I, therefore, plead that whatever taxation trade as such may have to bear, it should not have imposed on it the Municipal taxation of the locality in which it works. Direct taxation of trade should be spread over the greatest possible geographical unit if it is not to be an incentive of transfer and diversion.

In regard to our domestic affairs your Committee are glad to be able to record a successful year's work, and to put before you accounts showing a surplus of income over expenditure. The Chamber is not intended to be a profit-making concern, but it is essential that reasonable reserves should be built up against periods of depression such as took place in 1923 and 1931 when heavy losses were incurred. During the current year your Committee have found it possible to restore to the Measurement staff the annual bonus of two per cent. of the net receipts of this Department, a benefit which had been abolished since 1931 as a result of the heavy losses that took place in that

year. The work undertaken by this Department has increased very considerably during the year under review, as a result of the introduction in the previous year at the request of the shipping companies of a system of weighing bag goods. It is therefore particularly apposite that the re-introduction of the bonus has been found possible in conjunction with this increase of work and responsibility.

The appeal launched by Her Excellency the Marchioness of Linlithgow in aid of the King-Emperor's Anti-Tuberculosis Fund closed on December the 31st last. A sum of Rs. 76,00,000 has been collected which though less than the figure which was originally aimed at, is nevertheless a handsome response in view of the many claims on the charity of the public. I may say that the total of the sum of contribution made by the members of this Chamber through the office of the Chamber amounted to over Rs. 63,000 and, I think we can congratulate ourselves on having done our share. The closing of the appeal, however, must not mean the end of the campaign against tuberculosis ; now that a good beginning has been made, thanks to Lady Linlithgow, to whom the country owes a debt of gratitude, private initiative must continue the work launched under official auspices.

I cannot let this opportunity go by without referring to the great loss that the Chamber has suffered in the departure of Sir Geoffrey Winterbotham. Sir Geoffrey Winterbotham has been President and Vice-President on more than one occasion and has served as the representative of the Chamber on many public bodies. His valuable advice and assistance have been invariably at the disposal of past Committees and his absence from Bombay will be keenly felt.

I have pleasure in recording my thanks to the Secretary, Assistant Secretary, and also all the members of the staff for their work during my year of office, and before I conclude I am glad to have this opportunity of expressing my sincere gratitude to your Vice-President and the

members of the Committee who have given me their unfailing and valuable support in the many important matters that have come before us for consideration. I am also most grateful to those gentlemen who have served on the numerous standing and special Sub-Committees of the Chamber, whose experience and advice on technical problems have been so valuable in aiding your Committee in arriving at decisions. I am sure also that members of the Chamber will be pleased to join me in thanking our representatives on the various public bodies and in particular those gentlemen who have looked after our interests so ably in the Central and Provincial Legislative Assemblies and on the Bombay Municipal Corporation. Finally, I must congratulate you on having secured Mr. Hogg as your President and Mr. Bramble as your Vice-President for the ensuing year. They follow a long line of men who have enjoyed your confidence from year to year and who have tried to the best of their ability to maintain your Chamber as a live and virile body in the changing conditions and continual progress of the last 103 years. That history will be an inspiration to them as it has been to me and I am confident that the affairs of your Chamber during the year ahead of us could not be placed in more capable hands.

I now have the pleasure to move that the Report of the Bombay Chamber of Commerce for the year 1938 be and is hereby adopted and confirmed.

Mr. A. K. G. Hogg, the Vice-President, said :—Your Excellency, Mr. President and Gentlemen,—In rising to support the adoption of this Report, I should like first of all, to take the opportunity of referring to two legislative measures, which have not been mentioned in the speech of your President.

### The Motor Vehicles Bill.

In the Budget Session of the Central Legislative Assembly now concluding the final stages of a Bill to consolidate and amend the Law relating to motor vehicles have been reached. The Indian Motor Vehicles Act 1914, which

was framed to suit conditions at an earlier stage of development of motor transport, is now no longer adequate and, as a result of the rapid growth of motor transport within recent years, there can be no doubt that the time has come when powers should be taken to regulate transport. The attention of the Government of India has been directed for some years past to the question of the co-ordination of road and railway transport. Resulting from and partially based on the recommendations of the Motor Vehicles Insurance Committee, and of the Wedgwood Committee, the present Bill was introduced during 1938 and, while undergoing examination by a Select Committee, was circulated for public opinion. The main contention, which your Committee raised was that the Law relating to the regulation of motor vehicles and the co-ordination of different types of transport, in the interests of the country as a whole, were two distinct and fundamental issues of major importance, which could not be dealt with adequately in a single legislative measure. Your Committee were in substantial agreement with the proposed regulations but, as regards those clauses which dealt with the various forms of transport, although their views were in no way opposed to such co-ordination, they did not consider that this matter should be included in a Bill, the primary function of which was to regulate the use of motor vehicles. This expression of opinion did not, however, meet with the reception for which we had hoped, and the Bill was passed by the Legislative Assembly in September last year, substantially in its original form. I am sure, however, that everyone will agree that the main provisions of the Bill are welcomed.

### The Import of Drugs and Medicines Bill.

The second matter of legislation to which I wish to refer is this. It will be recollected that in the latter half of last year, a Bill was introduced in the Central Legislative Assembly with a view to regulating the import into British India of certain Drugs and Medicines. Your Committee, in

commenting to Government on this Bill, suggested that the passing of legislation to control imports would be ineffective unless legislation to control the sale of locally manufactured Drugs was introduced at the same time. They, therefore, recommended that Central legislation should be promulgated to control imports but that such legislation should coincide with simultaneous Provincial legislation for the control of the manufacture and sale of Drugs. Our view-point met with favourable consideration, and I understand that the Central Government has approached Provincial Governments as to whether they would be prepared to authorise the Central Government to pass an all-India Act, covering not only imports, but local manufactures and retail sales. At an early date, therefore, I hope that we may see legislation on the lines which we have suggested.

### Empire Air Mail.

Since our Annual General Meeting last year, exceptional progress in postal communication within the Empire has taken place, and at the present time we have five Air Mails from England, scheduled to arrive in India each week. Unfortunately, it has not always been possible for the Authorities to maintain this regular service, which accounts for my having used the words "scheduled to arrive." All first class Mail is now carried by Air and at the letter rate little in excess of that of the land routes. In the initial stages, considerable criticism was aimed at the ruling of the Postal Authorities to the effect that documents representing monetary value, such as Bills of Lading, Bills of Exchange, etc., could not be sent by the cheaper ground route as business papers, unless they complied with the special rules relating to the method of packing. Your Committee took the view, however, that it was not unreasonable, in the early stage of air mail development, to expect to pay at a slightly higher rate for the transport of valuable documents, taking into consideration the advancement in communications of regular Air Mail services.

The serious dislocation of the Air Mail services, which occurred round about Christmas has, however, met with strong criticism, both from the public and from your Committee. A protest was submitted by your Committee to the Postal Authorities, but at the same time a *communique* from Delhi appeared in the Press advising that the disorganisation was due mainly to the exceptionally heavy traffic at that time and to a shortage of aeroplanes and abnormal weather conditions. Consequent on the pressure of Christmas traffic with Australia and New Zealand, Mail planes for India had to be reduced in number, but this was in an honest endeavour to arrange for the delivery of all mails as near Christmas as was possible under the circumstances. Homeward-bound planes have also on occasions been unable to lift all Mails from India, most of the space having been occupied with Mails from Australia and New Zealand.

While fully sympathising with the Authorities in the manifold difficulties with which they have to contend, a service which on occasions has taken from 11 to 14 days to convey letters between Great Britain and India can hardly be considered as satisfactory. I would here add that Tata's Air Mail service, forming a connecting link between Karachi and Bombay, has functioned with almost complete regularity.

### Installation of Safety Devices in Lifts.

You will remember that at the Annual General Meeting last year, mention was made of the need for the introduction of legislation to make compulsory the installation of Safety Devices in Lifts and their regular inspection by competent Lift Engineers, and it was then stated that, although this matter had been under consideration, no evidence was available that legislation was in course of drafting either in the Provinces or at the Centre. The necessity for the control of Lifts becomes daily a matter of greater urgency, in view of the building programme in the

City, and I am very pleased to see that a Bill has now been referred to a Select Committee, which will, I hope, in due course mean effective control in this matter.

### Closing of St. George's Hospital.

A few months ago, your Chamber received, with some concern, a Notification from the Surgeon-General to the Government of Bombay that it was proposed to close down St. George's Hospital. The reasons given for this decision were that the buildings of the Hospital were antiquated and their maintenance in consequence uneconomical. It was suggested that the closure of the Hospital would enable Government to make available a larger number of beds in other Government Hospitals, and furthermore that it was wrong in principle for Government to maintain a special Hospital from public revenues for middle and upper class Europeans. Your Committee, in reply, expressed the view that not only was there a legal liability on Government to maintain this Hospital, but they queried the truth of the facts which had led to Government's proposal. They did not consider that the closure of the hospital would enable Government to open a larger number of beds in other Government Hospitals, as the cost per bed day at St. George's Hospital was, after allowing for the sums received by the Hospital from paying patients, no more than the cost per bed day in other Government Hospitals. Furthermore, this Hospital was not run at the expense of public revenue for the benefit of upper class Europeans, as the payment made by these patients more than covered the full cost of their treatment. The question has been reviewed very fully in the Press, and I do not propose passing any further comments, except by saying that negotiations concerning the Hospital are still in progress.

### Town Planning and Traffic Problems.

In my predecessor's speech last year, reference was made to the question of traffic in Bombay. Traffic is increas-

ing, congestion is increasing, and the consequent result is that the cost of distribution within the City is also on the increase.

This has resulted in the formation of the Joint Town Planning Committee, who are safeguarding your interests in this connection. Although that Committee have been actively at work throughout the year, they have not as yet received official recognition. It is, however, satisfactory to note that they are being consulted by the Authorities on the various matters with regard to traffic which require careful consideration. The Committee themselves are in close touch with what is going on in the City, and in this way they are fully alive to the City's day-to-day requirements.

A considerable amount of time has been devoted to the improvement of the circulation of traffic at junctions by means of round-abouts, which, in many cases, have shown excellent results. To decide on the best position for such round-abouts does take time, which presumably accounts for the fact that in many of the main thoroughfares of Bombay we come across white-washed drums in one position one day and in another position the next, sometimes disappearing altogether for a considerable period. I have no doubt that the careful thought being given to this important subject will be to the ultimate benefit of the motorist and of the pedestrian, although the question of the pedestrian is rather a difficult one. Judging from what I have seen during the last few weeks, properly marked out crossings are under consideration, and it is quite possible that in time we shall see Belisha beacons and crossings, although what attention will be paid to such crossings remains to be seen. The fate of this remains in the hands of the Police Authorities.

It is satisfactory to remark that the Municipality's long-promised new Building Regulations are in course of preparation which, I am sure, will make for an improved

Bombay, and I hope that those who are competent to deal with these matters will give the Municipality such assistance as is possible.

In the lay-out of new properties more attention should be paid to access to main roads, as junctions are unsatisfactory from the point of view not only of congestion but of accidents. The Ministry of Transport in England work to the principle that the number of crossings on the main traffic routes should be reduced to a minimum and spaced not less than 440 yards apart. This is important, and to improve the circulation within our main business streets, serious consideration will have to be given to the procedure to be followed in the case of the many smaller streets connecting therewith.

Parking in our streets has become a very serious problem and one to which I invite the attention of the Municipality. Municipal parking stations off the main road provided with the necessary amenities such as telephone, accommodation for drivers, etc., might be a new source of revenue to the Municipality and at the same time relieve the congestion caused by the parking of cars in main thoroughfares, but the difficulty at the present time would appear to be the finding of the necessary space. This is a subject which I should prefer to leave to those who are more competent to deal with it.

Before concluding my remarks, I should like to take this opportunity of thanking you for having done me the honour of electing me as your President for the incoming year. I can assure you that I shall endeavour to maintain the high standard set by my predecessor.

I have now great pleasure in seconding the Resolution that the Report of the Committee of the Bombay Chamber of Commerce for the year 1938 be and is hereby adopted and confirmed.

The report was adopted unanimously.

HIS EXCELLENCY THE GOVERNOR said :—Mr. President and Gentlemen—I thank you for your welcome to me to-day, and I am glad of this second opportunity which I have to attend the annual meeting of your Chamber.

In your opening remarks, Mr. President, you referred to the great loss which we have all felt by the untimely death of His Excellency Lord Brabourne. Lord Brabourne, was well known to most of you here, and none of you who knew him could fail to recognise and appreciate those qualities of his which gained him such a position in the esteem and affection in the two great Provinces where he worked. It is not necessary for me to dwell on his qualities, for you knew them well; but I may, perhaps, say two things about him which have established themselves firmly in my own memory. In the closing months of his Governorship of this Province he had before him the prospect, not of retiring for a period of ease and refreshment, but of taking up almost at once new and heavy burdens. It would not have been surprising, in those circumstances, if he had found little time or inclination to assist his successor: yet I doubt whether any Governor has received more help from his predecessor than I did: on matters large and small he left nothing undone to make the beginning of my task as light as he could. The other thing which I would say is this. Two years is, perhaps, not long enough for anyone to attempt to assess the success of so great a change as Provincial Autonomy in this Province, but if it should be considered, in time to come, to have proved a success, let it not be forgotten that much of the initial credit should rightly go to Lord Brabourne who, in circumstances by no means easy, launched it on its career smoothly and with a good chance. It will be some consolation to those who feel his loss most to know that that has been so generously recognised by those who worked with him.

I am grateful to you, Mr. President, for inviting me to be present on this occasion. Your annual report which is now under review, and the speeches of the President and

Vice-President to which we have just listened, demonstrate very clearly how much the work of Governments and the direction of commerce and industry are interdependent. In spite of the changes which Provincial Autonomy has made in the nature of the work of the Governor of a Province, it is, I consider, as important as ever that the Governor should be fully aware of trade conditions and of the views of your Chamber on the legislative proposals and executive actions of Government. I find, therefore, that attendance at the annual meeting of your Chamber, which represents such important and extensive interests, is very valuable to me and enables me to keep in touch with your problems and to meet those who are engaged in commercial pursuits. You will not, I think, expect me to comment in detail on the many matters which are discussed in your report or to which reference has been made in the previous speeches. Some few of them are no doubt contentious, and on those, in particular, constitutional propriety imposes upon me, in my view, an attitude of detachment.

Your reference, however, Mr. President, in the early part of your speech, to the great need for tranquillity and confidence if trade and industry are to prosper, is a reminder, no doubt, that you have had a most difficult year. The political events which shook the world during the past year cannot have failed to have shaken the confidence upon which business depends, and no one would be so bold as to declare that the outlook for this year is free from anxiety. Nevertheless, I do not consider that it is impracticable or unreasonable to entertain the hope that some relaxation of the present tense situation may be anticipated which would clear the way for substantial and world-wide economic recuperation. Such hope can be based on several factors. It can hardly be denied that there is, amongst the peoples of every country, a strong desire for peace. There are, too, strong and active forces at work to preserve peace. It would, I think be a mistake to regard the conditions which have given rise to so much anxiety as permanent or as likely to last indefinitely. For

my part I think we can look forward, not blindly but with reason, to the world emerging from the trough created by political conditions in the past few years.

One step which seems to me to have hopeful features is the recently concluded trade agreement between the United Kingdom and the United States of America. I hope it may prove the forerunner of other such instruments designed to remove trade barriers.

Mr. President, I listened with interest, and I hope with profit, to what you and the Vice-President had to say on Provincial matters. I do not expect you to agree with every step which has been taken or which is in contemplation : but I do welcome the broad-minded manner in which you have approached these questions, and particularly your appreciation of the efforts of my Government to improve relations between employers and employed and to secure to both those partners in industry the advantages of peaceful solutions of industrial disputes.

I was struck, as I listened to the account of the work which has been done by the Chamber during the past year, by the value of that work both to your members and to the Government of India and the Government of Bombay. A great deal of work has been done during the year, and those who have borne the burden of it can feel well satisfied that it has been work of great usefulness. The views advanced by your Chamber are entitled to, and do carry great weight as the considered opinion of a very important section of the commercial community of Bombay. They carry, too, all the more weight for being conceived in a spirit of helpfulness rather than of obstruction.

His Excellency the Viceroy has already expressed his thanks to your Chamber, on behalf of himself and Lady Linlithgow, for the support which you gave to the King Emperor's Anti-Tuberculosis Fund. I would like to add my most sincere thanks for the co-operation which you

gave to the Provincial Committee which sponsored the Appeal in this Province, and for the very generous contributions given by so many of your members.

In conclusion, Gentlemen, I wish to thank Mr. McIntosh for the assistance which he has always been ready to give me whenever I have called upon him during the past year, and I would offer my congratulations to Mr. Hogg, on his election as President, and I wish him and the Chamber a successful year.

MR. J. F. MACDONELL, M.C., proposed, and MR. C. F. MORRIS seconded :—

"That the thanks of the Chamber be tendered to the President, the Vice-President and the outgoing Committee for their able conduct of the affairs of the Chamber during the past year."

The resolution was carried with acclamation.

MR. FRED STONES, O.B.E., M.L.C., proposed, MR. G. FURZE, seconded, and it was agreed :—

"That the nomination of the following members of the Committee of the Bombay Chamber of Commerce for the year 1939-40 in accordance with the provisions of Article 37(*g*), be and is hereby confirmed :—

MR. W. A. BELL.
MR. J. M. B. GIBBONS.
MR. R. C. GILES.
MR. L. A. HALSALL.
MR. W. M. PETRIE.
MR. A. P. POWLES.
MR. NEVILLE N. WADIA.

MR. J. B. GREAVES, M.L.A., proposed, MR. C. F. BUSER, seconded, and it was agreed :—

"That Messrs. A. F. Ferguson & Co. be and are hereby elected Auditors of the Chamber's accounts for year 1939 at the remuneration hitherto paid to them."

MR. BRAMBLE, in proposing a vote of thanks to His Excellency the Governor, said :—

SIR,—It is with pleasure as well as with a sense of honour that I propose a vote of thanks to H. E. Sir Roger Lumley.

The fact that it has been customary for Governors of Bombay to attend the Annual Meeting of this Chamber makes us nonetheless appreciative of His Excellency's presence here to-day and nonetheless glad to have his frank comment—answer it cannot be by the nature of things —on our current problems and our views for the future as outlined in the President's speech.

You, Mr. President, welcomed His Excellency in your opening remarks and I will not say more now, except this that, although I am not a horsey man, I do feel that it is due to His Excellency that one of us at least should continue to make use of a metaphor employed by Mr. French last year when moving a similar resolution. You will remember, Gentlemen, that Mr. French, after a critical and knowledgeable examination of our Governor's control during the opening paces, eventually expressed himself as well satisfied with the horsemastership displayed.

And it is my opinion that during the last year and more particularly the last few weeks His Excellency has successfully negotiated some hard going, I almost said "hurdles" but remembered that it was not in a saddle but on a coachman's box that His Excellency was seated in Mr. French's imagination. Anyhow pitfalls there undoubtedly have been ; and past these he has safely and deftly brought the coach of State.

We who are engaged in commerce have every reason to be thankful for the averting of political crises in this country ; for almost always they are accompanied by civil commotion and not unfrequently by a stoppage of trade.

I now formally propose a vote of thanks to His Excellency for coming to this meeting to-day and giving us the privilege of listening to him. And, Gentlemen, I would ask you to pass this resolution with acclamation.

The proposition was carried with acclamation.

A vote of thanks to the President terminated the proceedings.

# Bombay Chamber of Commerce

## ANNUAL REPORT FOR 1938.

### ELECTION OF PRESIDENT AND VICE-PRESIDENT OF THE CHAMBER FOR THE YEAR 1939-40.

In accordance with the prescribed regulations, MR. A. K. G. HOGG and MR. C. P. BRAMBLE were elected President and Vice-President, respectively, of the Chamber for the year 1939-40.

### CHANGES IN THE COMMITTEE DURING 1938.

In April 1938 MR. G. J. H. WALLS resigned his seat on the Committee on proceeding to Europe and MR. A. P. POWLES was appointed to serve in his stead. In September 1938 MR. S. FUCHSMANN resigned his seat on retirement from India and MR. W. A. BELL was appointed to serve in his stead. In December 1938 MR. W. J. CULLEN resigned his seat on transfer to Karachi and MR. C. P. BRAMBLE was appointed to serve in his stead.

### BOMBAY LEGISLATIVE ASSEMBLY.

CHAMBER'S REPRESENTATIVE.

(*See Report* 1937, *page* 1.)

In April 1938 MR. G. O. PIKE, one of the representatives of the Chamber in the Bombay Legislative Assembly, resigned his seat and MR. G. H. COOKE was elected to serve in his stead.

### BOMBAY PORT TRUST.

CHAMBER'S REPRESENTATIVES.

In March 1938 MR. G. S. TAUNTON, one of the representatives of the Chamber on the Board of Trustees of the Port of Bombay, resigned his seat on transfer from Bombay and MR. A. K. G. HOGG was elected to serve in his stead.

Subsequently MR. HOGG applied for six months' leave of absence from the meetings of the Board, and MR. C. E. LEMAN was elected to serve during MR. HOGG's absence.

Towards the end of the year SIR GEOFFREY WINTERBOTHAM, another representative of the Chamber on the Board of Trustees, resigned his seat on retirement from India and MR. A. MCINTOSH was elected to serve in his stead.

## UNIVERSITY OF BOMBAY.

### ELECTION OF FELLOW BY THE CHAMBER.

(*See Report* 1929, *page* 4.)

In December 1938 SIR GEOFFREY WINTERBOTHAM who was nominated by the Chamber as a Fellow of the University of Bombay in 1929, resigned his seat on retirement from India and MR. J. M. B. GIBBONS was nominated as a Fellow in his stead.

## BOMBAY TELEPHONE COMPANY, LIMITED.

### CHAMBER'S REPRESENTATIVE.

In December 1938 SIR GEOFFREY WINTERBOTHAM, the Chamber's representative on the Board of the Bombay Telephone Co., Ltd., resigned his seat on proceeding to Europe and MR. A. K. G. HOGG was nominated to serve in his stead.

## G. I. P. RAILWAY LOCAL ADVISORY COMMITTEE.

### CHAMBER'S REPRESENTATIVE.

The term of office of MR. L. A. HALSALL as the Chamber's representative on the G.I.P. Railway Local Advisory Committee expired with effect from the meeting held in May 1938 and the Committee renominated him to serve for a further period of two years.

## RAILWAY RATES ADVISORY COMMITTEE.

### CHAMBER'S NOMINEES.

(*See Report* 1937, *page* 5.)

In July 1983 the Government of India, Railway Department (Railway Board) enquired whether the Chamber desired to make any alteration in the list of representatives in the panel of the Railway Rates Advisory Committee, and also requested that they should be advised, when circumstances arose which precluded gentlemen who were on the panel from accepting nomination.

The Committee informed the Railway Board that there were no changes in the names of the Chamber's representatives on the panel for the selection of a commercial member and added that whenever possible the Railway Board would be advised when any gentlemen on the panel were unable to accept nomination to the Railway Rates Advisory Committee.

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## INDIAN CENTRAL COTTON COMMITTEE.

### CHAMBER'S REPRESENTATIVE.

(*See Report* 1937, *page* 4.)

In February 1938 the Indian Central Cotton Committee informed the Chamber that the term of office of its representative would expire on the 31st March 1938 and called upon the Chamber to fill the vacancy.

The Committee re-nominated MR. M. S. DURUTTI.

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## BOMBAY BOARD OF COMMUNICATIONS.

### CHAMBER'S REPRESENTATIVE.

(*See Report* 1936, *page* 4.)

In April 1938 MR. G. O. PIKE, the Chamber's representative on the Board of Communications, resigned his seat on proceeding on leave, and MR. G. H. COOKE was nominated to serve in his stead.

## TRAFFIC ADVISORY COMMITTEE.

CHAMBER'S REPRESENTATIVE.

(*See Report* 1936, *page* 4.)

In July 1938 MR. J. R. D. TATA, the Chamber's representative on the Traffic Advisory Committee, resigned his seat, and the Committee nominated MR. J. S. R. SPELMAN to serve in his stead.

## GOVERNING BODY OF I.M.M.T.S. "DUFFERIN."

CHAMBER'S REPRESENTATIVE.

(*See Report* 1937, *page* 3.)

In March 1938 MR. G. S. TAUNTON, the Chamber's representative on the Governing Body of the I.M.M.T.S. "Dufferin," resigned his seat on his transfer from Bombay and the Committee nominated MR. A. K. G. HOGG to serve in his stead.

In June 1938 MR. HOGG resigned his seat on proceeding on leave and the Committee nominated MR. C. E. LEMAN to serve in his stead.

In November 1938 MR. LEMAN resigned his seat and the Committee re-nominated MR. HOGG.

## ROYAL BOMBAY SEAMEN'S SOCIETY.

CHAMBER'S REPRESENTATIVE.

In February 1938 the Chamber was asked to nominate a representative to serve as a member of the Royal Bombay Seamen's Society under the provisions of Rule 1 (*e*) of the Rules and Regulations of the Society. The Committee nominated MR. C. H. C. MUNROE.

## AUXILIARY FORCE ADVISORY COMMITTEE.

CHAMBER'S REPRESENTATIVE.

In March 1938 the Government of Bombay informed the Chamber that the term of office of the existing Advisory

Committee for the Bombay District under the Auxiliary Force Act, 1920, would expire on the 31st March 1938 and requested the Chamber to nominate its representative on the Committee for the year 1938-39.

The Committee nominated MR. V. F. NOEL PATON.

## PERSIAN GULF LIGHTING SERVICE ADVISORY COMMITTEE.

CHAMBER'S REPRESENTATIVE.

(*See Report* 1935, *page* 4.)

In July 1938 MR. C. F. MORRIS, the Chamber's representative on the Persian Gulf Lighting Service Advisory Committee, resigned his seat on proceeding on leave, and the Committee nominated MR. G. FURZE to serve in his stead.

## SUB-COMMITTEES.

The undermentioned gentlemen were nominated to serve on the following Standing Sub-Committees of the Chamber for the year 1937-38 :—

*Import.*

Mr. W. Deacon (*Chairman*).
Mr. W. J. Burrows.
Mr. E. Holt.
Mr. J. N. Kerr.
Mr. A. G. Sotiriadi.
Mr. F. Whitehead.

*Shipping and Export.*

Mr. C. E. Leman (*Chairman*).
Mr. D. Stewart Brown.
Mr. C. J. Damala.
Mr. Meyer Nissim.
Mr. W. L. A. Radcliffe.

*Finance.*

Sir Kikabhoy Premchand, KT. (*Chairman*).
Mr. A. McCulloch.
Mr. G. C. Pocock.
Mr. D. D. Storrar.
Mr. B. D. Benjamin.

*Docks and Railways.*

Mr. D. Harrington, (*Chairman*).
Mr. W. T. Aldous.
Mr. A. J. Bebbington.
Mr. G. E. Berkley.
Mr. S. R. Larkin.
Mr. W. W. Russell.

*Income-tax.*

Mr. C. N. Caroe (*Chairman*).
Mr. G. C. Pocock.
Mr. C. R. Sharp.
Mr. B. J. Whitby.

*Labour.*

Mr. C. E. Leman (*Chairman*).
Capt. W. D. Bacon.
Mr. H. G. Pirrie.
Mr. Neville N. Wadia.

*Cotton.*

Mr. C. P. Bramble (*Chairman*).
Mr. M. S. Durutti.
Mr. Tulsidas Kilachand.
Mr. R. G. Saraiya.
Mr. J. Vonesch.

*Weather Working Days.*

Mr. R. C. Lowndes.
Mr. A. C. Micrulachi.
Mr. C. E. Leman.

*Staff.*

Mr. A. McIntosh (*Chairman*).
Mr. A. K. G. Hogg.
Mr. R. W. Bullock.

In June 1938 MR. W. DEACON resigned his seat on the Import Sub-Committee. MR. J. E. TEW was nominated to serve in his stead and MR. SOTIRIADI was appointed as Chairman of the Sub-Committee.

In October 1938 MR. A. J. BEBBINGTON resigned his seat on the Docks and Railways Sub-Committee and MR. C. W. A. WARRINGTON was nominated to serve in his stead.

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## MEMBERSHIP OF THE CHAMBER.

The total membership of the Chamber on the 1st January 1939 was 191 the same as at the beginning of 1938.

The following are the names of members elected :—

Messrs. Latham Abercrombie & Co., Ltd. Proposed by Messrs. Forbes Forbes Campbell & Co., Ltd., and seconded by the Hongkong and Shanghai Banking Corporation.

Messrs. Lipton, Ltd. Proposed by Messrs. Wallace & Co., and seconded by Lloyds Bank, Limited.

Messrs. Muller & Phipps (India), Ltd. Proposed by Burmah Shell Oil Storage & Distributing Co. of India, Ltd., and seconded by Messrs. H. J. Foster & Co., Ltd.

Messrs. Hindustan Vanaspati Manufacturing Co., Ltd. Proposed by Messrs. A. F. Ferguson & Co., and seconded by Messrs. Crawford Bayley & Co.

The following resigned their membership of the Chamber :—

Messrs. B. Reif, Ltd.
Messrs. Asbestos & Belting Co., Ltd.
Messrs. Hill, Son & Knox.
Messrs. Hindustan Holland Vanaspati Trading Co., Ltd.

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## ELECTORAL ROLL OF THE BOMBAY LEGISLATIVE ASSEMBLY.

In view of the fact that the Electoral Roll of the Chamber for the Bombay Legislative Assembly which was last published in 1936 was out of date owing to the departure from Bombay either on leave, transfer or retirement of many of the nominees of member firms entered therein, and as the Roll would ordinarily remain in force for a period of five years, i.e., up to 1941, the Chamber in May 1938 represented to Government the desirability of the preparation of a fresh Electoral Roll or the amendment of the existing one. Resulting from this action, the Legal Department of the Government of Bombay under Notification No. 1251-L dated 9th October 1938, intimated that in exercise of the powers conferred by sub-rule (1) of rule 25 of the Bombay Legislative Assembly Electoral (Preparation, Revision and Publication of Electoral Rolls) Rules, 1936, the Governor of Bombay was pleased to direct the Collector of Bombay and Registering Authority to prepare a list of amendments to the electoral roll of the Bombay Chamber of Commerce and Bombay Presidency Trades Association Constituency of the Bombay Legislative Assembly.

The first publication of the amended Roll was made on the 1st December 1938 and the second publication on the 20th December 1938.

## THE CHAMBER'S OFFICES.

(*See Reports* 1933, *page* 12 ; 1934, *page* 1.)

The Chamber has entered into a fresh lease of the premises occupied on the 3rd floor of Messrs. Mackinnon Mackenzie & Co.'s Building, Ballard Estate, for a period of five years from the 1st March 1939 with the option of renewal for a further period of five years.

## SIR LESLIE HUDSON.

In January 1938 the Chamber was advised by the Associated Chambers of Commerce of India that a cable had been received from SIR LESLIE HUDSON who had proceeded on leave to England, intimating his inability to return to India due to ill-health.

At a meeting of the Committee held on Wednesday, 9th February, the following resolution was placed on record, and a copy was forwarded to Sir Leslie Hudson :—

"The Committee of the Bombay Chamber of Commerce desire to place on record their appreciation of the eminent services rendered to the Commercial Community by Sir Leslie Hudson, M.L.A., as a past President and Member of the Committee of the Chamber, as representative of the Chamber on a number of public bodies including the Bombay Legislative Council and also as representative of the European Constituency of the Bombay Presidency in the Legislative Assembly."

## VISIT TO THE CHAMBER OF MR. J. F. SHEEHY.

MR. J. F. SHEEHY, I.C.S., Member, Central Board of Revenue, accompanied by KHAN BAHADUR J. B. VACHHA, C.I.E., Commissioner of Income-tax and MR. G. B. BIRD, I.C.S., of the Income-tax Department, visited the Chamber on the 20th July 1938 and informally discussed the following subjects with the Committee and the members of the Special Sub-Committee appointed to report on the Indian Income-tax (Amendment) Bill, 1938.

(The clauses quoted refer to the clauses of the Indian Income-tax (Amendment) Bill, 1938.)

1. *Clause* 3. Definition of dividend.
2. *Clause* 4. Practicability of taxing resident and domiciled persons on basis of world income.
3. *Clause* 5. Definition of non-resident Company.
4. *Clause* 10.
   (*a*) Nature of Company Super-tax ;
   (*b*) Proviso. Allowance for interest payable without British India.
   (*c*) Basis of depreciation.
5. *Clause* 18. Deduction of interest from Income-tax payable to non-residents.
6. *Clause* 20. Reduction of limits in Section 20 (*a*) from Rs. 1,000 to Rs. 200.
7. *Clause* 24. Assessee should not be debarred from appealing against assessment under Section 23 (*a*) on the grounds that the matter at issue is a question of fact and not of law.
8. *Clause* 30. Proviso to Section 26. Hardship on partners resulting from change of basis of assessment.
9. Insertion of proviso in Sections 32 and 33 to allow Commissioner to include interest.
10. *Clause* 53. Double Income-tax relief.
11. *Clause* 67 (*b*). Reason for limitation of amount of interest to be free of tax.
12. Effect which would follow on Indian States adopting an Act which has a charge on world income.
13. Double Super-tax on Companies.

## VISIT TO THE CHAMBER OF THE INDIAN TRADE COMMISSIONER-DESIGNATE FOR NEW YORK.

Mr. H. S. Malik, o.b.e., i.c.s., Indian Trade Commissioner-designate for New York, visited Bombay on the 30th March to 1st April 1938, before he sailed to take up his duties in New York.

Mr. Malik was invited to meet the Committee in the offices of the Chamber at 3-0 p.m. on 30th March 1938, when those members who had intimated their desire to discuss matters with the Trade Commissioner-designate were given an opportunity of doing so.

# ASSOCIATED CHAMBERS OF COMMERCE OF INDIA.

## ANNUAL MEETING, 1938.

The annual meeting of the Associated Chambers of Commerce of India was held at Calcutta on the 19th and 20th December 1938. The proceedings were opened by His Excellency the Most Honourable the Marquess of Linlithgow, P.C., K.T., G.M.S.I., G.M.I.E., O.B.E., D.L., T.D., Viceroy and Governor General of India. This Chamber was represented by MR. A. McINTOSH, President of the Chamber, MR. A. K. G. HOGG, Vice-President of the Chamber and MR. C. P. BRAMBLE, M.L.A.

The following is a list of subjects in connection with which resolutions were adopted unanimously by the meeting :—

1. The high level of taxation in India and its incidence upon commerce, industry and trade.
2. Co-ordination of Provincial Legislation.
3. Registration of Trade Marks.
4. Civil Procedure Code : Execution of foreign judgments.
5. Assignability of Marine Insurance Policies and subrogation.
6. Protection of Agricultural interests by Tariff Boards.
7. Stamp duty on Inland currency bills.
8. Growth of Communistic Propaganda in India.
9. Stowing in coal mines.
10. Federation.

Resolutions in connection with the following were withdrawn after discussion :—

11. Prohibition of the importation of foreign liquor except by licence holders.
12. Import duty on wheat.

A resolution in connection with the following was rejected by a majority :—

13. Railway freight on Indian wheat and wheat products.

Of the above resolutions Nos. 3 and 5 were moved by the Bombay Chamber.

## THE ASSOCIATED CHAMBERS OF COMMERCE OF INDIA.

### Deputy President.

At the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 19th and 20th December 1938, the following resolution was adopted unanimously :—

"That the Bombay and Karachi Chambers of Commerce be and are hereby respectively elected under the provisions of Article 15 of the Articles of Association to nominate each a Deputy President for the year 1938-39."

The Committee nominated the President-elect of this Chamber, Mr. A. K. G. Hogg.

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## CENTRAL LEGISLATIVE ASSEMBLY.

### Nominee of the Associated Chambers.

(*See Report* 1936, *page* 17.)

In April 1937 Mr. L. C. Buss, the nominee of the Associated Chambers in the Indian Legislative Assembly, resigned his seat on proceeding on leave and Mr. H. S. Town was nominated to serve in his stead. In December 1938 Mr. Town resigned his seat and Mr. Buss was re-nominated to serve in his stead.

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## CENTRAL ADVISORY COMMITTEE FOR LIGHT-HOUSES.

### Associated Chambers' Nominees.

In March 1938 Mr. G. S. Taunton, one of the representatives of the Associated Chambers of Commerce of India on the Central Advisory Committee for Lighthouses, resigned his seat on transfer from Bombay, and the Committee of the Chamber nominated Mr. A. K. G. Hogg to serve in his stead.

## IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH.

### REPRESENTATIVE OF ASSOCIATED CHAMBERS ON STANDING WHEAT COMMITTEE.

(*See Report* 1935, *page* 207.)

In April 1938 the Associated Chambers of Commerce of India informed the constituent Chambers that the Association had been called upon by the Imperial Council of Agricultural Research to nominate a representative on the Standing Wheat Committee of the Council for a further period of one year. MR. C. FYFFE, the then representative of the Associated Chambers agreed to continue to represent the Association, if the Chambers so desired.

The Committee advised the Associated Chambers that they agreed to the proposal that MR. FYFFE should continue to represent the Association, and it was subsequently learnt that he had been re-appointed.

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## INDIAN INSTITUTE OF SCIENCE.

### ASSOCIATED CHAMBERS' REPRESENTATIVE.

(*See Reports* 1921, *Vol. I*, *page* 112 ; 1930, *page* 225.)

In November 1937 the Associated Chambers of Commerce of India informed constituent Chambers that under the revised regulations of the Indian Institute of Science, Bangalore, provision was made for one nominee of the Associated Chambers to serve on the Court of the Institute and the Chambers were invited to put forward names for the purpose. This Chamber voted in favour of MR. C. D. PRIESTLEY of the Imperial Chemical Industries (India), Ltd., Madras, nominated by the Madras Chamber of Commerce. MR. PRIESTLEY was subsequently elected as the representative of the Associated Chambers.

## INDIAN STATISTICAL INSTITUTE.

(*See Report* 1935, *page* 18.)

In November 1938 the Indian Statistical Institute informed the Chamber that the second session of the Indian

Statistical Conference would be held in Lahore during the first week of January 1939, and invited the Chamber to nominate delegates to attend the Conference. The Committee, however, informed the Indian Statistical Institute, that they were unable to nominate any representative to attend the Conference but added that the aims of the Conference met with their full support.

## ALL-INDIA INDEX NUMBER OF WHOLESALE PRICES.

(*See Report* 1937, *page* 19.)

In September 1938 the Deputy Director of Statistical Research informed the Chamber that the proposed new series of Index Number of Wholesale prices in India would be computed with the average quotation for 1937-38 as a base, and he requested to be supplied with price quotations at the end of each month of the articles for which the Chamber had agreed to furnish figures. This was done and regular monthly quotations have since been furnished.

## RULES UNDER THE INDIAN SECURITIES ACT, 1920.

(*See Report* 1937, *page* 21.)

It was recorded in the Chamber's Report for 1937 that the Committee, in addressing the Government of Bombay regarding certain draft rules which it was proposed to issue under the Indian Securities Act, stated that they considered that the rules applicable to Government of India Securities and Provincial Securities should, as far as possible, be identical, and that it was important that the rules of each Province should be identical in every respect.

The Government of Bombay in reply stated that the draft Securities Rules published by them were based on the Government of India Rules, the only omissions therefrom being reference to Native States and post offices with which a Provincial Government was not concerned. Slight changes had been made in two other rules for the sake of

administrative convenience, which, it was contended, would in no way affect the negotiability of the securities that might be issued by the Government of Bombay. Otherwise the draft Rules were identical with the Government of India rules.

## STAMP DUTY ON CHEQUES.

(*See Reports* 1926, *Vol. I, page* 104; 1927, *Vol. I, page* 14; 1932, *page* 56; 1933, *page* 70.)

In February 1938 the European Group, Indian Central Legislature, asked for the views of the Chamber on a Bill which had been introduced in the Legislative Assembly for the purpose of fixing uniform rates for the levy of certain stamp duties throughout British India, for imposing for a period of two years a stamp duty on cheques, and for formulating the principles in accordance with which the net proceeds of the said duties should be distributed among the Provinces.

When the question of reducing the stamp duty on cheques was raised in 1926 the Chamber favoured the reduction from one anna to half an anna but opposed the total abolition of the duty. In 1933 when it was suggested to reimpose the duty the Chamber supported the proposal as it was felt at that time that it would not discourage the banking habit and at the same time would provide the Provinces with much needed revenue. The proposal was, however, rejected by the Legislative Assembly.

In the present instance the Committee advised the European Group that they were not in favour of offering their support to the present Bill in view of the fact that the duty on bills of lading and bills of exchange of more than one year's usance was linked with the re-imposition of a stamp duty on cheques.

The Committee considered that the latter would retard the growth of the banking habit which was essential for the expansion of business on modern lines and they were not in favour of the Bill being proceeded with.

## STAMP DUTY ON SHORT-TERM AVIATION POLICIES OF INSURANCE.

(*See Reports* 1927, *Vol. I*, *page* 16 ; 1934, *page* 48 ; 1936, *page* 32.)

In connection with the question of the stamp duty on policies of insurance covering accidents to passengers travelling by air only for a limited period, the Superintendent of Stamps, in November 1937, requested the Chamber to furnish him with particulars of the number, the amount and the premium paid in respect of such policies during the previous two years. The Superintendent stated that he had under consideration a suggestion to fix a stamp duty of one anna in each rupee of the amount of premium or the existing stamp duty, whichever was less.

After consulting members interested and the Bombay Accident Insurance Association the Committee gave the Superintendent of Stamps the following particulars in respect of policies covering accidents to passengers travelling by air only for a limited period issued by members of the latter Association during the previous two years :—

| | |
|---|---|
| No. of Policies issued .. .. .. .. | 136 |
| Total amount of Insurance .. .. .. | Rs. 19,29,124 |
| Total amount of premium .. .. .. | Rs. 2,389 |

The Committee informed the Superintendent that the suggestion to fix a stamp duty of one anna in each rupee of the amount of premium, or the existing duty, whichever was less, met with their full support.

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## BILLS OF EXCHANGE.

### Bank Charges.

In October 1938 the Associated Chambers of Commerce of India forwarded for the views of this Chamber a copy of a letter received from the Melbourne Chamber of Commerce regarding the charges which were made by Indian banks in connection with the collection of bills of exchange drawn on Indian merchants including a special charge for postage.

The Melbourne Chamber stated that they understood these charges did not prevail in any other part of the world and as the Indian merchant declined to pay the charge it was debited back to the exporter through his Australian bank.

As the exporters in Australia objected on principle to paying these charges, the Melbourne Chamber enquired as to the reason for their imposition.

The Committee informed the Associated Chambers that they understood that the charges in question related to bills for collection only and were based on rules agreed to by the members of the Eastern Exchange Banks Association in London and were applicable to all places where the use of the air mail was compulsory. In view of the foregoing, the Committee had no criticisms to offer.

## THE STERLING-RUPEE RATIO.

(*See Reports*, 1925, *Vol. I*, *page* 18 ; 1926, *Vol. I*, *page* 45 ; 1927, *Vol. I*, *page* 24.)

In July 1938 the Associated Chambers asked for the views of this Chamber on a reference from the Bengal Chamber regarding the sterling-rupee ratio question, which it was thought might be raised during the coming session of the Central Assembly.

The position at the moment was that sections 40 and 41 of the Reserve Bank of India Act, 1934, determined the upper and lower points of the exchange ratio by imposing upon the Reserve Bank the obligation to sell sterling without limit at 1*s.* 5-49/64*d.* and to buy sterling without limit at 1*s.* 6-3/16*d.* The recital to the Reserve Bank Act, however, contemplated that these provisions should be temporary and section 55 provided that " when the Bank is of opinion that the international monetary position has become sufficiently clear and stable to make it possible to determine what will be suitable as a permanent basis for the Indian monetary system and to frame permanent measures for a

monetary standard, it shall report its views to the Governor-General in Council." Safeguards were contained under the Government of India Act, 1935, section 12 of which provided that the Governor-General should have special responsibilities in respect of the safeguarding of the financial stability and credit of the Federal Government ; and that in performance of this special responsibility the Governor-General should exercise his individual judgment as to the action to be taken. Under section 14 it was provided that, in so far as the Governor-General was required to exercise his individual judgment, he should be under the general control and comply with the particular directions given to him by the Secretary of State. As regards the jurisdiction of the Legislatures, section 153 of the Government of India Act provided that the sanction of the Governor-General in his discretion was necessary for the introduction or moving in either Chamber of the Federal Legislature of any Bill or amendment affecting coinage, currency or the constitution and functions of the Reserve Bank.

The Bengal Chamber considered that at the moment stability was the great essential, whether in "ready" or "forward" transactions ; that as there was already sufficient uncertainty surrounding business conditions in India and throughout the world, it would be unwise by altering the present ratio to add another variant in the shape of a "floating" rupee ; that if it was difficult to maintain the ratio at 1*s.* 6*d.*, it would be equally difficult to maintain it at 1*s.* 4*d.* ; that the alternative of no fixed ratio would merely bring a return of the chaotic conditions which prevailed from 1919 until the stabilisation of the rupee at 1*s.* 6*d.* ; that the mere devaluation of the rupee would not of itself create a demand for India's products or ensure a better return for the agriculturist ; that the dropping of the rupee to 1*s.* 4*d.* would necessitate increased taxation to meet the additional cost—now estimated at Rs. 6 crores per annum—of remitting Home charges at the lower ratio ; and that the devaluation of the rupee would lead to a further flight of gold from this country. On these grounds,

and having regard to the political and constitutional considerations involved, the Bengal Chamber of Commerce was in favour of the retention of the *status quo* and recommended that the Associated Chambers of Commerce should support the Government of India in resisting any change.

In replying to the Associated Chambers the Committee stated that at the time when the original controversy took place the Reserve Bank was not in existence. The Committee considered that by the enactment of the Reserve Bank Act, in so far as section 55 of this Act gave power to the Bank to take suitable action if and when it deemed such action necessary, the sterling-rupee ratio question had been entirely removed from the political sphere.

The Committee were therefore of opinion that every effort should be made to prevent discussion of the matter in anticipation of any report that the Bank might decide to make under the provisions of section 55.

If and when the Reserve Bank decided to report under this section, then and then only would the question become a proper one for public discussion.

## REGISTRATION OF TRADE MARKS.

(*See Reports*, 1876-77, *page* 27 ; 1877-78, *page* 33 ; 1878-79, *page* 38 ; 1879-80, *page* 38 ; 1880-81, *pages lxxxviii*, 18 ; 1883-84, *page* 152 ; 1890, *pages* 166, 215 ; 1891, *page* 168 ; 1896, *page* 96 ; 1903, *page* 41 ; 1904, *page* 48 ; 1906, *pages* 139, 543 ; 1908, *page* 24 ; 1909, *pages* 80, 541 ; 1913, *pages* 111, 697 ; 1914, *page* 59 ; 1919, *pages* 73, 459 ; 1926, *Vol. I, page* 353 ; 1928, *Vol. I, page* 74 ; 1931, *Vol. I, page* 317 ; 1932, *page* 107 ; 1933, *page* 64 ; 1934, *page* 50 ; 1935, *page* 53 ; 1936, *page* 255 ; 1937, *pages* 47.)

It was recorded in the Chamber's Report for 1937 that the Chamber had expressed its views on a memorandum that had been issued by the Government of India, Department of Commerce, giving the history of the former

proposals for legislation for the registration of trade marks in India and a note of the broad outlines upon which it was proposed that legislation should be undertaken.

This long outstanding question advanced another stage during the year under review. The Government of India, after considering the views expressed at various times by commercial interests and provincial Governments, circulated, in June 1938, a further report drawn up by Mr. R. K. Nehru, I.C.S., in which was embodied a draft Bill to provide for the registration of trade marks.

The whole question was considered by a special Sub-Committee whose report was adopted by the General Committee and a reply was sent to the Government of India, based on that report. The Committee welcomed the draft Bill which they regarded as a long needed measure not only for the benefit of internal trade but one which would also enable India to enter into reciprocal agreements with foreign countries and thus protect trade marks abroad.

The Committee carefully examined the individual clauses of the Bill which were based on the British Act with certain alterations to adapt them to Indian conditions. The most important point in this connection was that the legislation proposed for India conformed with the law in the United Kingdom in that the existing rights of a trade mark owner were undisturbed, and he still had his remedy under the common law in an action for passing-off. Registration *per se* would considerably facilitate the establishment of title.

Most of the clauses in the draft Bill followed exactly the corresponding sections of the British Act and the Committee accepted them in their entirety. The Committee, however, pointed out the desirability of the draft Bill being reviewed in the light of the United Kingdom Trade Marks Act, 1938 which was the most recent legislation in the United Kingdom.

The Committee offered certain remarks on the Bill which were chiefly confined to the adaptation of the English law to Indian conditions.

In the draft Bill it was proposed that a record for the registration of trade marks should be kept at the Patent Office which was situated in Calcutta. The Committee were unanimously agreed that the institution of one Register of Trade Marks for the whole of India was essential, but they were not satisfied as to the desirability of locating this Register either at the Patent Office or in Calcutta and considered that as the bulk of the import trade of India was centred in Bombay the central register should be located in this city. The Committee considered it manifestly desirable that Sub-Registries should be instituted in all Provincial capitals and Deputy Registrars appointed whose duty would be to attend to registration and through their internal organisation arrange for final registration in the central register.

The Committee were agreed that appeals should be required to be lodged at the High Court at the place where the central register was situated but they suggested the introduction of another authority, which they designated " the Tribunal " between the Registrar and the High Court. This " Tribunal " would be composed of a committee of experts, presided over by a competent Law Officer, whose sole task would be to hear appeals from the Registrar. It need not be a permanent institution but once the first rush of registration cases and appeals had been disposed of, it might be abolished and the course proposed in the report adopted.

Clause 9 (2) provided that in the event of honest concurrent use or of other special circumstances the Tribunal might permit the registration of marks which were identical or nearly resembled each other, subject to such conditions or limitations as they thought it right to impose. The Committee recommended that a mark should be deemed to be common to the trade when there were more than three

cases of honest concurrent use and held that the registration of trade marks with territorial limitations would not only be a serious hindrance to trade, but that its practical application was well nigh impossible. They recommended therefore that any application for registration should be presumed to be *prima facie* evidence of *bona fide* intention to use the trade mark for the whole of India and that a registered trade mark should be limited territorially only to such an extent as might be necessary to carry out the promise contained in sub-section 2, clause 16, namely, that registration should not interfere with established rights.

The Committee considered that registration being for the whole of India should be a fundamental principle, for the reason that the owner of a registered trade mark whose rights were limited to certain parts of India could not claim international recognition.

Clause 22 provided that registered trade marks should in future be assignable independent of a goodwill. To this general principle, a safeguard was added to the effect that such assignments must be " in respect of goods for which the trade mark is registered."

The Committee welcomed the rescission of the present equity rule, a development which was in accordance with existing legislation in Great Britain and foreign countries, and they also approved in principle of the safeguard which they considered necessary and equitable. At the same time they pointed out that these proposals, which had been " lifted " without modification from recent United Kingdom legislation. did not take into account the peculiar conditions obtaining in India. They entertained strong misgivings as to how the words " in respect of goods for which the trade mark is registered " would be interpreted by the Courts.

After quoting concrete examples of the difficulties that might arise the Committee pointed out that section 62 of the United Kingdom Act 1938 satisfactorily disposed of

these difficulties and they strongly recommended that this section of the United Kingdom Act should be embodied in the Bill.

In regard to clause 38 which dealt with cotton trade marks the Committee stated that if their recommendation for the main register to be kept at Bombay was accepted the appointment of a sub-registry here would not arise. If, however, their recommendation was not accepted it became necessary to consider the descriptions of cotton goods with which the sub-registry might deal. They considered that the descriptions in clause 38 (2) were not wide enough and should include, in addition to "cotton yarn, cotton piecegoods and other cotton manufactures, excluding clothing" the following :—

"Art silk yarn and piecegoods, mixtures of art silk and cotton, staple fibre yarns and cloths, silk yarns and cloths, woollen and worsted yarns and cloths, flax, jute and linen cloths."

This in effect would mean that the textiles section would be kept as a separate entity which was in conformity with the international classification as framed by the International Union for the Protection of Industrial Property.

Sub-clause (8) envisaged the appointment of a Committee of persons versed in the usages of the cotton trade to assist the Registrar or the Deputy Registrar in an advisory capacity. The Committee recommended that the proposed Advisory Committee should include a member or members versed in the by no means negligible trade in imported piecegoods.

The Committee considered that as a general principle the scale of fees charged should be sufficient only to cover the cost of the establishment and maintenance of the Registry and the staff employed, but in the early stages it was necessary also to fix them at a level which would deter

applications of other than a *bona fide* nature. When the system had been in force for some time the scale might be revised in the light of experience gained. They recommended that in the first instance the following fees should be charged :—

| | | |
|---|---|---|
| On Application | .. | Rs. 25 |
| On Registration | .. | ,, 15 |
| On Renewal .. | .. | ,, 15 |

The Committee further recommended that when alterations of trade marks or amendments were permitted under clauses 34, 35 and 36, a fee of Rs. 15 should be charged.

Clause 49 provided that in the absence of any directions to the contrary evidence before the Registrar should be given by statutory declaration. The Committee were of opinion that this would be unworkable in India where there was no Act as there was in England which made punishable any false declaration made otherwise than in judicial proceedings.

Clause 58 related not only to reciprocal arrangements between the United Kingdom and India but also between :—

(*a*) India and the Government of any part of His Majesty's Dominions or the Government of an Indian State, and

(*b*) India and the Government of any foreign State with which His Majesty might make arrangements in regard to British India.

The Committee pointed out that reciprocal arrangements between any countries on the basis of the International Convention presupposed the existence of trade marks registers in those countries. The countries who had subscribed to the International Convention all had trade marks registers in existence before they did so and they were therefore able to grant certain rights of priority to trade mark owners within the other subscribing countries. If India were to agree to any reciprocal arrangements immediately this Bill became law such arrangements would

not in practice be reciprocal as rights would be granted to those other countries which India would not be able to take advantage of until the register was properly established. The Committee recommended therefore that clause 58 should be omitted from the Bill and that the question of India making reciprocal arrangements with other countries and acceding to the International Convention should be the subject of an amending Bill at a later date when the register in this country was properly established and functioning.

In conclusion the Committee recommended to Government that they should endeavour to arrive at an agreement with Burma that identical legislation for the registration of trade marks should be introduced simultaneously in that country.

The full text of the Chamber's letter to the Government is reproduced in the Appendices to this Report.

Arising out of Mr. Nehru's report the Associated Chambers of Commerce of India in July 1938 asked for the views of this Chamber in regard to a suggestion that had been made to the European Group in the Central Legislature that provision should be made for the registration of labels or " get up " in the draft Bill to provide compulsory registration of trade marks in India.

The Committee informed the Associated Chambers that they considered that the draft Bill did make provision for the registration of labels under clause 2 (*d*) but no provision was made for " get up " in so far as it was not thought capable of precise definition and therefore not registrable as such, although the Common Law remedy for infringement was still available.

Particular attention was drawn to Mr. Nehru's note on clause 2 (1) (*d*) wherein it was stated " a get up of a package generally consisted of features which were not only incapable of precise definition but were also subject to

frequent changes. If the scheme were extended so as to embrace distinctive packings, the difficulties of the Registering Authority would, I think, be greatly increased."

The Committee stated that they were in agreement with these conclusions.

In the Chamber's letter to the Government of India there was a reference to the promise contained in subsection 2, clause 16, namely, that no provision of the proposed Act should interfere with the common law rights of trade mark owners in a passing off action. This was also a basic principle of United Kingdom Trade Marks Law and continued to be specifically provided for in section 2 of the 1938 Consolidating Act. On further consideration of their letter the Committee felt that their comments on this point did not sufficiently stress the great importance they attached to it.

The Committee accordingly in August 1938 again addressed the Government of India and stated that after a trade marks register had been functioning in India for some years it was probable that the importance of rights of "user" would tend to diminish, as registrations which had remained unchallenged would after ten years be considered valid in all legal proceedings. The Committee felt that until then established rights of "user" must be fully protected, and the measure of importance which they attached to this stipulation would be gauged from the fact that without it they would oppose the whole scheme for registration of trade marks in India.

At the annual meeting of the Associated Chambers of Commerce of India held on the 19th and 20th December 1938 the following resolution was moved on behalf of the Bombay Chamber and adopted unanimously :—

This Association—

(1) welcomes the proposed legislation for the registration of trade marks ;

(2) expresses general agreement with the proposals embodied in Mr. Nehru's report, but considers that they require re-examination, in order to bring them into line with the United Kingdom Consolidating Act of 1938;

(3) emphasizes that the principle contained in sub-clause 2 of clause 16 of Mr. Nehru's draft Bill (the right to bring "passing off" actions by unregistered owners) is a condition *sine qua non* of its support to the contemplated legislation;

(4) while accepting the principle of reciprocity expressed in clause 58 of Mr. Nehru's Bill, is of opinion that these provisions of the Bill should not become operative until adequate time has been afforded for the registration of Indian trade marks.

(5) agrees that certain sections of the Merchandise Marks Act, the Indian Penal Code and the Sea Customs Act require amendment as a corollary to the enactment of the Trade Mark Legislation, but expresses the view that these amendments should similarly not become operative until adequate time has been allowed for the registration of Indian trade marks.

## REGISTRATION OF INDIAN TRADE MARKS IN GERMANY.

In consequence of complaints that were received by the Chamber in regard to the absence of any provisions for the registration of Indian trade marks in Germany resulting in these trade marks being often infringed or challenged by interested parties, the Committee took the matter up with the Indian Government Trade Commissioner in Hamburg who confirmed that according to paragraph 35 of the German Trade Marks Act of 1936, trade marks might be registered in Germany provided the applicant was of German nationality or had an office in Germany, or provided the country of which the applicant was a national afforded reciprocal treatment and a proclamation had appeared to that effect in the German Official Gazette. As it appeared that no notification of this nature had been published in respect of India the registration of trade marks in Germany by Indian firms was not possible at the moment.

In the meantime a British national who was the proprietor of a firm in Bombay, made an application for registration of trade marks in Germany which was refused by

the Court of Examinations. On appeal, however, the Appellant Court of the Reichpatentamt annulled this decision. The ground on which the lower court refused registration was that the applicant's evidence to the effect that the trade mark was used and registered in India was insufficient proof of the right to a trade mark in the sense of paragraph 35, section 3, of the German Trade Marks Law. It was also held by the Court of Examinations that the applicant's claim on the ground of his British nationality that in view of the agreement between Germany and the United Kingdom he should be relieved from the necessity of giving proof that protection had been afforded in the home country was unjustified owing to the fact that he had no domicile in the United Kingdom. After examining fully the pros and cons of the matter the Appellant Court expressed the opinion that in the case of applications received in Germany by British subjects it was necessary only to examine the question as to whether the applicant actually was a British subject. If this was the case they held that the question was irrelevant as to where he had his business or his domicile and as to whether the trade mark was protected in the country of origin in accordance with paragraph 6 of the Union Convention.

It will be seen that this decision of the Appellant Court applied only in the case of British nationals residing or doing business in India. It did not apply to British Indian nationals. From a newspaper report that appeared in September 1938 it was understood that in view of the fact that German trade marks enjoyed full protection in British India, the Government of India was considering the action that could be taken in order that British Indian nationals might receive similar protection in Germany, and clauses to give effect to reciprocal arrangements with other countries were included in the Bill to provide for the Registration of Trade Marks, reference to which is made elsewhere in this report.

## CONTROL OF DRUGS AND MEDICINE TRAFFIC.

(*See Reports* 1930, *page* 43 ; 1933, *page* 73 ; 1935, *page* 49 ; 1936, *page* 62 ; 1937, *page* 43.)

It was recorded in the Chamber's Report for 1937 that the Committee in commenting on the Bill which was introduced in the Central Legislative Assembly for the purpose of regulating the import into British India of certain drugs and medicines, had recommended that legislation for the control of the importation of drugs should not be brought into force unless legislation for the control of the manufacture and sale of drugs was enforced by all Provinces simultaneously. In March 1938 the Legislative Assembly referred the Bill to a Select Committee. The Select Committee held its first meeting on the 2nd April 1938 when it recommended that the Government of India should address the Provincial Governments and ask them for their consent under section 103 of the Government of India Act, 1935 for the passage of legislation in the Central Assembly which would regulate not only the import of drugs but their retail in the provinces. The Government of India accordingly circulated the Provincial Governments on the 8th April 1938 and in view of the satisfactory nature of the replies received the Government of India undertook the preparation of the necessary legislation. In the meantime it was necessary that the Provincial Governments should pass a resolution as required under section 103 of the Government of India Act, 1935.

In view of the decision of the Government of India the Select Committee recommended to Government that the Bill which had been referred to them should not be proceeded with and the more comprehensive Bill suggested should be undertaken.

The Bombay Legislative Council at a meeting held on the 14th October 1938, passed the following resolution :—

"That this Council do resolve that it is desirable that (1) trade and commerce within the Province in drugs, medicines and biological products, (2) the production, supply and distribution of drugs, medi-

cines and biological products, (3) the adulteration of drugs, medicines and biological products, (4) fees in respect of the matters mentioned in clauses (1) to (3), (5) inquiries and statistics for the purpose of the matters mentioned in clauses (1) to (4), (6) offences against laws with respect to the matters mentioned in clauses (1) to (5), and (7) jurisdiction and powers of courts with respect to the matters mentioned in clauses (1) to (6), which are among the matters enumerated in the Provincial Legislative List, should be regulated in this Province by an Act of the Central Legislature."

If similar resolutions are passed in time by the other Provincial Houses it is expected that the new Bill will be introduced in the Legislative Assembly at the Delhi (1939) session.

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## RULES UNDER THE BOMBAY WEIGHTS AND MEASURES ACT, 1932.

(*See Reports*, 1906, *pages* 116, 487 ; 1908, *page* 110 ; 1910, *page* 99 ; 1912, *page* 118, 646 ; 1913, *pages* 45, 300 ; 1914, *pages* 50, 398 ; 1915, *pages* 68, 422 ; 1920, *Vol. I*, *page* 201 ; 1922, *Vol. I*, *page* 306 ; 1924, *Vol. I*, *page* 344 ; 1932, *page* 114 ; 1933, *page* 98 ; 1934, *page* 68 ; 1935, *page* 66 ; 1936, *page* 253 ; 1937, *page* 63.)

In June 1938 the Director of Industries asked for the views of the Chamber on a draft of a notification which the Government of Bombay proposed to issue framing certain amendments of the rules under the Bombay Weights and Measures Act, 1932, and adding new and additional denominations of weights and measures which had been recognised under the Act.

The Committee informed the Director of Industries that they had no comments to make except with regard to the wording of the footnote to Table V (Clause 26) which read as follows :—

"For each additional 20 gallons or fraction thereof in the case of ordinary types of measures, an additional 5 fl. oz. shall be allowed in the case of error in excess on verification and half of that in the case of deficiency on inspection."

The Committee added that they were of opinion that the tolerances on such big liquid measures might prove inadequate and unreasonable. They did not desire to offer criticisms at the moment except a reservation on the point mentioned to which they might wish to refer at a later date after experience of actual working.

## AMENDMENT OF THE INCOME-TAX LAW IN BRITISH INDIA.

(*See Reports*, 1934, *page* 54 ; 1935, *page* 44 ; 1937, *page* 37.)

On the 4th April 1938 a Bill was introduced in the Legislative Assembly to give effect to such recommendations of the Income Tax Enquiry Report, 1936, as had been accepted by the Government of India and to make such amendments to the Income-tax Act as experience of its working had indicated to be necessary or desirable. The Bill was referred to a Select Committee of the Central Legislature and in the meantime was circulated for public opinion.

The Committee of the Chamber submitted the Bill to a Special Sub-Committee under the Chairmanship of Sir Geoffery Winterbotham for report. The Bill was very closely examined by the Sub-Committee whose report was adopted by the General Committee and the Central Board of Revenue was subsequently addressed on the lines of the Sub-Committee's recommendations. The Chamber's letter is printed in full in the Appendices to this Report.

There was considerable discussion when the Bill came up for consideration in the Legislative Assembly and various clauses were materially amended. The Bill was finally passed by the Legislative Assembly on the 12th December 1938 and will be considered by the Council of State towards the end of January 1939.

## TAXATION OF FOREIGN INCOME OF RESIDENTS NOT DOMICILED IN BRITISH INDIA.

(*See Report* 1937, *page* 37.)

It was recorded in the Chamber's report for 1937 that the following resolution was moved on behalf of this Chamber and carried unanimously at the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 20th December 1937 :—

"This Association is of opinion that the recommendations of the Income Tax Enquiry Committee to tax foreign incomes of residents not domiciled in India on the basis of whole income arising is inequitable and urges the Government of India to accept the principle of taxation on a reciprocal basis with other countries, which, in the case of the United Kingdom, renders Indians resident in the United Kingdom, assessable for income-tax on income arising in, or remitted to, the United Kingdom only."

The terms of the resolution and the report of the discussion which preceded its adoption were communicated to the Government of India who replied to the effect that the views of the Associated Chambers on the subject had been duly considered by the Government of India in connection with the recommendations in Chapter I, Section 1, of the Income-tax Enquiry Report, 1936, and that the Government's conclusions were embodied in Clauses 4 and 5 of the Income-tax (Amendment) Bill, 1938, which was introduced in the Legislative Assembly on the 4th April 1938. Considerable discussion centred round these clauses both by commercial bodies and in the Legislative Assembly. This Chamber's views are recorded in the letter to the Central Board of Revenue criticising the various clauses of the Bill and which is printed in full in the Appendices to this Report. (See previous item.)

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## DOUBLE INCOME-TAX RELIEF.

### INDIAN STATES.

(*See Report* 1937, *page* 40.)

At the annual general meeting of the Associated Chambers of Commerce of India, held at Calcutta in

December 1937, a resolution on the subject of relief from double taxation of income was unanimously adopted in the following terms :—

"This Association urges upon the Government of India the necessity for an early review of the present arrangements for the granting of relief from double taxation borne by assessees taxed in both British India and Mysore or other Indian States."

Copies of the resolution, and the report of the discussion which preceded its adoption, were duly forwarded to the Government of India, Finance Department.

Government replied to the effect that with regard to Mysore with whom they had special arrangements for double income-tax relief, a lacuna in these arrangements had been filled up by a further agreement for the grant of relief from double income-tax in the case of—(1) Incomes from interest on debentures or on securities other than those of the Government of India or of the Mysore Government, and (2) income of the partner of a firm who was personally assessed either in British India or Mysore. Government had also come to an arrangement with the Mysore Durbar whereunder in the case of a manufacturer manufacturing in Mysore and selling in British India and *vice versa*, Mysore and British India would tax the manufacturing and merchanting profits respectively and that until a more definite basis of assessment was evolved in the light of experience, the merchanting and manufacturing profits would be determined on the facts of each case by the assessing officers of the two Governments in consultation with each other. Meanwhile Government advised that pending any further revision of these arrangements that might ultimately be made members should report to the Central Board of Revenue for consideration cases in which adequate relief was not being given in British India on incomes doubly taxed in British India and Mysore.

With regard to the relief arrangements with other States, there was, in the peculiar circumstances of the case, a conflict between the interests of the tax-payer and those

of Government. The tax-payer was not particularly concerned to contest the State assessment so long as he obtained double income-tax relief and anything which the Government of India would gain by restricting that relief would be at the expense of the tax-payer. While the Government of India were, in regard to this matter, most anxious to protect their own interests and those of the tax-payer it was very difficult to see how this could be accomplished in the circumstances. They could not interfere in any way with the income-tax administration of the States by objecting either to the scope of their assessments or to their dilatoriness in giving double income-tax relief. Meanwhile pending a solution of the problem Government did not propose to adopt the recommendation in the Income-tax Enquiry Report.

In December 1938 the Associated Chambers intimated that the Bengal Chamber had suggested that the Association should continue to press on the Government of India the need for definite arrangements being made with Mysore State whereby complete relief from double taxation would be obtainable without any question of an Income-tax Officer having powers arbitrarily to decide the amount on which relief would be granted. The Bengal Chamber further suggested that the Associated Chambers might also continue to press strongly for the negotiation of a satisfactory and definite solution of the problem as between the Government of India and the other Indian States.

The Associated Chambers enquired whether this Chamber was in favour of the Government of India being addressed on the lines suggested by the Bengal Chamber. The Committee replied that they were in favour of the suggestion and were informed at a subsequent date that the Government of India had been so addressed.

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## INDIAN INCOME-TAX ACT, 1922—SECTION 18(2).

In December 1937 a case was brought to the notice of the Chamber through the Associated Chambers concerning

the interpretation of Section 18 (2) of the Indian Income-tax Act. The facts were as follows :—

An employee was engaged by a Company on the 1st of July 1935 on a salary of Rs. 500 a month. The total amount paid to the employee by the Company during the year 1935-36 was under Rs. 5,000 and tax was deducted at source at the appropriate rate of 6 pies plus surcharge. The Income-tax Officer maintained that the correct rate was 9 pies in the rupee on the ground that the employee's salary was at the rate of Rs. 6,000 a year and he therefore became liable under the higher scale. The Income-tax Officer called upon the Company to pay this difference. The Company paid under protest and an appeal for refund was rejected on the ground that the tax must be calculated on the income of an employee for a whole year and not a part of the year for which he had worked under one employer. The Punjab Chamber of Commerce took up the matter with the Central Board of Revenue on the ground of the inequity of placing on an employer the responsibility of taking into calculation sources of salary other than that paid by the employer. The Board of Revenue replied to the effect that an employer had no duty to ascertain the salary paid to an employee by another employer but if he was aware of any such salary it must be included in the Company's estimate of the employee's income. The Company maintained that they had no information whatever of the employee having received any salary prior to his joining their service.

Information was subsequently received from the Associated Chambers that the Central Board of Revenue had instructed the Income-tax Officer to refund the amount charged in excess.

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## INCOME-TAX ON DIVIDENDS ON PREFERENCE SHARES.

In May 1938 the Upper India Chamber of Commerce drew the attention of the Associated Chambers to the refusal

on the part of the United Kingdom Income-tax Authorities to allow abatement to recipients of preference dividends by Companies in India who were resident in the United Kingdom, and suggested that the Associated Chambers should take the matter up with the Government of India. On enquiry the Committee were informed that income-tax had been duly paid to the Government of India on the profits from which the preference dividends were paid.

The Committee informed the Associated Chambers that they were of opinion that this was a matter which might suitably be taken up by the Association and added that if the Upper India Chamber of Commerce decided to put the matter before the annual general meeting of the Associated Chambers in the form of a resolution, this Chamber would be prepared to support such a resolution.

The Upper India Chamber did not however carry the matter any further.

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## RETURNS OF DIVIDEND AND INTEREST.

In September 1938 a private member's Bill to provide for the submission of certain statements of companies incorporated in or carrying on business in India was introduced in the Council of State. In the statement of objects and reasons appended to the Bill it was mentioned that for measuring the economic progress of the country and ascertaining the relative position of foreign and Indian capital in this country, it was necessary that Government should be in possession of full particulars for compiling and publishing statistics, showing interest, dividend and bonus, paid by companies incorporated in British India and by companies doing business in British India, to Indians, non-Indian British subjects domiciled in British India, domiciled in the United Kingdom and other individuals; and companies incorporated in British India, in the United Kingdom and elsewhere separately.

In addressing the Government of India in the matter the Committee stated that they were of opinion that there were two obvious objections to the provisions of the Bill. In the first place, it would involve a considerable amount of unremunerative work by all the companies concerned and in the second place, even if the information which the promoter of the Bill aimed at obtaining would, in fact, be useful to Government, the actual statements as called for were bound to be highly inaccurate, for example, investments held by banks and others on behalf of clients or as nominees, dividends paid under the blank transfer system, and so on.

The Committee added that they understood that a motion was down on the Agenda to circulate this Bill for the purpose of eliciting public opinion, and suggested that such a Bill was useless and that the cost of circulating would be useless expenditure.

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## DRAFT RULES UNDER THE INSURANCE ACT, 1938.

(*See Reports* 1934, *page* 45 ; 1935, *page* 58 ; 1936, *page* 32 ; 1937, *page* 54.)

Under Notification No. 597-I(1)/38, dated the 19th November 1938, the Government of India published a draft of certain rules, which it was proposed to make in exercise of the powers conferred by sub-sections (1) and (2) of section 114 of the Insurance Act, 1938 (IV of 1938) read with section 22 of the General Clauses Act, 1897 (X of 1897). It was intended that these rules should come into force at the same time as the Act. Up to the time of writing this report no date had been fixed for the coming into force of the Act.

The Committee referred the draft rules to the same Sub-Committee who considered and reported on the Act, and they subsequently addressed the Government of India on the lines of the Sub-Committee's report. The Committee made suggestions for certain verbal alterations in the rules. The Committee also drew attention to clause

4 (1) (*a*) in which it was laid down that a contract of insurance should not be considered to constitute insurance business transacted in British India unless the insured was permanently resident in British India at the time of the contract. The Committee recommended that the definition of the words " permanently resident " should be inserted in the rules.

The Committee objected to the proposal laid down in clause 5 (3) that securities should be deposited only with the Reserve Bank in Calcutta and recommended that deposits should be made permissible at any branch of the Reserve Bank in India. The remarks under this clause applied also to the remittance of funds to the Calcutta office of the Reserve Bank.

The Committee considered that the period of six weeks laid down in clause 7 for realisation of the discharge value of matured deposits was far too long a period and the discharge value should be put at the disposal of the depositor within a maximum period of 14 days. The Committee considered that this was a matter of importance where large sums were involved.

The provision in clause 8 (2) that interest or dividends on sterling securities should be remitted to India was not acceptable to the Committee who considered that it should be dependent on the wish of the insurer since the company might desire to retain such interest in sterling in London to meet obligations to Indian policyholders temporarily resident there or the company might take the view that the exchange rates prevailing between London and Bombay were likely to improve or again the company might wish to accumulate such interest for re-investment in sterling securities.

Clause 8 (3) provided for a charge of 4 annas per Rs. 100 for remitting interest, etc. to any centre in India required by the insurer. The Committee considered that this commission was excessive and should be reduced to one anna per Rs. 100.

Clause 12 laid down the particulars that should be included in any prospectus or table of premium rates. The Committee considered that as far as Life Insurance was concerned the wording of the clause 12 (a) as drafted was far too wide since the words "essential conditions applicable" might be interpreted to cover all conditions of a policy. In relation to Fire Insurance the Committee failed to understand either the intention or the requirements of the clause, as for example its applicability to discount for fire appliances, sprinklers and other special conditions which would vary on different risks.

The Committee considered the choice of the word "rebate" in clause 12 (b) unfortunate as in common practice it was applied chiefly to illicit commissions. They suggested that in place of the words "rebates of premium will be allowed" there should be substituted the words "discounts off premiums allowed or reduced premiums charged."

The Committee did not consider it necessary that votes for the election of Directors should be counted by the company's auditors as laid down in clause 15 (3) and recommended that this duty should in the alternative be permitted to be done by scrutineers appointed by the policyholders present at the meeting.

## AVIATION ACCIDENT INSURANCE POLICIES.

In March 1938 the attention of the Committee was drawn to the question of the high cost of Aviation Accident Insurance Policies in India. They were informed that the Imperial Airways accepted Life Assurance up to a maximum of £2,000 in the case of death, at the rate of Re. 1 per £1,000 per day, but that if it was desired to cover for a higher sum, it was necessary to go to the Life Assurance Companies who charged 12 *sh.* per £1,000 up to a maximum of £5,000 each. This premium appeared to be very high in comparison with that available in the United States.

On all United States domestic air lines the policy was limited to $5,000 costs 25 cents for any trip of not more than four hours duration. On the coast-to-coast flight which was something over 3,000 miles a policy limited to $5,000 was issued for $1.00 (one dollar) and covered the entire trip, whether made directly or with stop-overs at any number of points and included accidents while in a company conveyance to or from the air port. A much more common form of insurance for those who were accustomed to use airplanes frequently, was that issued by the U. S. Aviation Underwriters. This concern gave policies from $5,000 to $25,000 on all flights taken on commercial air lines during a year at a rate of $1.10 per thousand, taken out by a company on behalf of an employee and $1.80 per thousand if taken out by a private individual.

The Committee referred the matter to the Bombay Accident Insurance Association for their opinion, and were advised that while there was no agreement as to rates among the members of that Association, their charges for such insurance were more or less uniform and were based on such statistics as were available. Divergences in rates between different parts of the world had naturally followed the different degree of development of flying services.

The Accident Insurance Association added that the information in regard to the United States services was not unknown to its members, but they could not accept that there was necessarily any parallel.

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## MARINE INSURANCE POLICIES.

### Assignability and Subrogation.

(*See Report* 1937, *page* 230.)

It was recorded in the Chamber's Report for 1937 that a resolution in the following terms was adopted at the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 21st December 1936.

"This Association urges upon the Government of India the necessity of enacting without delay legislation in British India embodying the provisions of the Marine Insurance Act, 6, Edw. VII, 1906, and of amending sections 6 and 135 of the Transfer of Property Act, 1882, so far as they conflict with sections 50 and 79 of that Act which provide for the assignment of Marine Policies either before or after loss and for the right of subrogation respectively."

In May 1937 the Government of India advised that the question raised had been noted for consideration when a suitable occasion arose but that, at the time, their legislative programme was too heavy to admit of their giving the matter immediate attention.

The Committee considered that the subject was one which required early attention, and it was felt that as other legislation had recently been passed dealing with matters relating to insurance the time was also appropriate for the Government of India to examine the suggested measures. A similar resolution was accordingly moved at the annual general meeting of the Associated Chambers which was held at Calcutta on the 19th and 20th December 1938 and was adopted unanimously.

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## BILL TO RESTRAIN UNQUALIFIED PERSONS FROM ACTING AS QUALIFIED LAWYERS.

In January 1938 the Incorporated Law Society asked for the views of the Chamber on a Bill that had been drafted under the auspices of the Law Society to restrain unqualified persons from acting as qualified lawyers in matters in which knowledge of law and legal principles were essential.

The Committee forwarded the draft Bill to the Chamber's solicitors and enquired whether the Bill was likely to affect in any way the interests the Chamber represented. The Committee desired legal opinion with particular reference to clauses 4 and 5 of the draft Bill, as to whether the legal validity of documents drawn up by an unqualified person, but not for any fee, gain or reward, or of documents drawn up outside India, was likely to be affected.

The solicitors advised the Chamber that the Bill did not in any way affect the legal validity of any document drawn up by an unqualified person whether for any fee, gain or reward or of documents drawn up outside India. The Bill was purely a penal Bill intended to punish unqualified persons who did work which either required a legal training or appeared to have the backing of the law behind it. Even where an unqualified person was convicted for a breach of any of the Sections of the Act the validity of the document prepared by him would be unaffected.

The solicitors did not think the interests of the Chamber would be affected in the slightest degree by the passing of the Bill.

In view of the solicitors' opinion the Committee informed the Incorporated Law Society that they had no criticisms to offer against the terms of the Bill.

## COST OF LITIGATION IN THE HIGH COURT.

In December 1937 the Bombay Incorporated Law Society addressed a petition to the Chief Justice and Judges of the High Court of Judicature, Bombay, drawing attention to the excessive costs of litigation on the Original Side of the High Court and suggesting certain amendments of the rules and practice which in the opinion of the Society would curtail expenses without impairing efficiency in the administration of justice. Their Lordships, however, expressed their inability to give effect to any of the suggestions.

## BANKRUPTCY NOTICES.

### BILL TO AMEND THE PRESIDENCY-TOWNS INSOLVENCY ACT, 1909.

(*See Report* 1937, *page* 35.)

In April 1938 a Bill was introduced by a private member in the Bombay Legislative Council, to amend the Presidency-Towns Insolvency Act III of 1909 in its application to the Province of Bombay.

The object of the above Bill was (*a*) to make non-compliance with an "Insolvency Notice" an Act of insolvency on which a petition in insolvency could be presented against a debtor and (*b*) to exclude in computing the period of limitation the period from the date of adjudication to the date of the order of annulment in cases of suits and applications for execution.

In May 1937 the Bombay Incorporated Law Society raised this question with the Chamber and solicited the Chamber's support. The matter was referred to the Chamber's solicitors who considered that the Law Society's suggestion was deserving of the strongest support of the Chamber.

The Bill was also referred to the Chamber's solicitors to see whether the intention which the Chamber had previously supported was adequately covered in the Bill. On being advised that the intention was adequately covered, the Committee advised the Chamber's representatives in the Legislative Assembly to support the Bill when it came up for discussion.

The above Bill was apparently not proceeded with but in December 1938 another Bill to amend the Presidency-Towns Insolvency Act, 1909 and the Provincial Insolvency Act, 1920, in their application to the Province of Bombay, on similar lines but somewhat differently worded and sponsored by the Government of Bombay was published in the *Bombay Government Gazette*. This Bill will probably be brought up for consideration at the budget session of the Legislative Council.

The Committee informed the European Group in the Provincial Legislature that in their view full support should be given to the Bill.

## INDIAN ACCOUNTANCY BOARD.

In June 1938 the Government of India, Department of Commerce, asked for the views of the Chamber on the question of the introduction of the elective principle into appointments to the Indian Accountancy Board.

The ultimate object of the Government of India in appointing the Indian Accountancy Board was to set up an organisation which in course of time would develop into an autonomous association of accountants able to assume complete responsibility for the qualification and conduct of its members. When the amendment of the Indian Companies Act, which brought into being the Accountancy Board, was considered in the Select Committee of the Legislative Assembly, the opinion was recorded that the first members of the Board should be nominated by the Governor-General in Council for a fixed period but that on reconstitution, the Board should contain a progressively increasing elected element. The first Board, accordingly, consisted entirely of nominated members. At the time of appointment of non-official members for the second term of the Board, the Government of India carefully considered the question of introducing the elective principle in constituting the Board, but came to the conclusion that the stage had not arrived which would justify the introduction of that principle. The Board, during its second term also, therefore, consisted of purely nominated members. The second term was due to expire on the 1st April 1938, and in connection with the selection of members for the third term, the question again came up for consideration. The Provincial Governments who were consulted in the matter were all agreed that the time was ripe for such a step. The matter was also placed before the Board itself at its meeting held in December 1937 and was discussed at length. A resolution was ultimately adopted recommending that the second term of the Board should be extended by one year and that meanwhile a draft scheme for the introduction of the elective principle into appointments to the Board should be circulated for eliciting public opinion. The Board's recommendations were accepted by the Central Government who therefore, drew up a tentative scheme.

The Committee informed the Government that they agreed that the time had arrived for reconstituting the Accountancy Board by a progressively increasing elective element.

They noted that " approved accountants " only would be eligible for election to the Board and recognised the arguments in favour of such restriction in the first elected Board. They had no doubt that the broadening of the provisions in such a manner as to allow for the direct representation of non-approved registered Accountants would be a matter for future consideration after experience of the functioning of the Board as proposed.

## BOMBAY RENT BILL.

(*See Reports* 1924, *Vol. I, page* 170 ; 1925, *Vol. I, page* 130 ; 1933, *page* 97.)

On the 17th January 1938 leave was granted by the Bombay Legislative Council for the introduction of a private Bill which had for its object the regulation of rents of premises in the Bombay Presidency.

In addressing the European Association, Bombay Branch, in regard to the Bill, the Committee advised the Association that in their opinion the Bill should be opposed on the first reading since if it was a fact that landlords were keeping rents at a level which gave them a higher return than was justified, building activities would continue in the City until rents yielded the same return as other safe investments. Furthermore, the law of supply and demand would tend to improve the type of building put up by landlords in order to attract tenants. The Committee were of opinion that the imposition of rent restriction by legislation would tend to stultify building enterprises in addition to retarding the normal process of slum clearance by means of competition among private builders. They considered that such legislation as was proposed in this Bill would be more harmful than helpful to those in whose interests it was proposed and that the law of supply and demand coupled

with efficient condemnation by public bodies of buildings unfit for human habitation would bring far greater social advancement than any restriction on rent which inevitably meant restriction on building activity in the grade of dwellings which came within the scope of the Bill.

The Bill was introduced in the Legislative Council on the 26th April 1938 and after discussion the motion for its first reading was put to the vote and negatived.

In April 1938 the Government of Bombay appointed a Committee consisting of the following members to advise them on the question of rentals of premises occupied by the working and middle classes in the cities of Bombay, Ahmedabad and Sholapur :—

Mathooradas Tricumjee, Esq. (*Chairman*).
S. K. Patil, Esq., M.L.A.
D. N. Wandreker, Esq., M.L.A.
Bhogilal Dhirajlal Lala, Esq., M.L.A.
M. M. A. Bhaiji, Esq., M.L.A.
S. G. Beri, Esq., M.A.
G. B. Soparkar, Esq., Senior Assistant Consulting Surveyor to Government, who also acted as Secretary of the Committee.

The terms of reference to the Committee were as follows :—

(*a*) To examine whether the conditions and rentals of premises occupied by the working and the middle classes in the cities of Bombay, Ahmedabad and Sholapur are such as to require legislative intervention, and

(*b*) if so, to suggest the nature of the required legislation, and

(*c*) to report on such other matters as may be germane to the points referred to in (*a*) and (*b*) above.

No report has so far been issued.

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## RESTORATION OF LANDS FORFEITED DURING THE CIVIL DISOBEDIENCE MOVEMENT.

In and after the year 1930, landholders in several parts of the Bombay Province declined to pay land revenue in pursuance of the Civil Disobedience Movement. As a result of such non-payment of land revenue, certain lands valued

at several lakhs of rupees were forfeited to Government. These lands were subsequently disposed of by Government under the Land Revenue Code at prices which varied from 5 to 45 times the assessment.

After the Congress Government came into power, they announced their intention of restoring all these lands to their original holders. Both the Chambers of the Legislature approved of this policy of Government and passed the following resolution in September 1937 :—

"This Assembly/Council accepts the policy of repurchasing at the cost of Government lands and other immovable properties forfeited and sold in consequence of the Civil Disobedience Movement with a view to their restoration to the original holders or their heirs free of occupancy price."

In order to give effect to the above policy the Government of Bombay on the 17th of September 1938 published a Bill which had for its object the acquiring of these lands and their restoration to the original holders. The Bill also laid down principles for the determination of compensation to be paid to the existing owners of these lands.

The Committee of the Chamber considered that the Bill was *ultra vires* the power of the Legislature in view of Section 299 (2) of the Government of India Act, 1935 and although the question at issue did not directly affect the interests of the Chamber, an important principle of Government's power to expropriate property was involved.

It was felt that although sanction under section 299 (3) had been granted, nevertheless that did not pre-judge the question as to whether the Bill was one which could become an Act in view of the provisions of section 299 (2).

The particular points in question were as follows :—

(1) Could the restoration of the lands to the original holders be legally construed as a public purpose ?

(2) Was the construction of "compensation" as it appeared in section 299 (2) such as would permit the more restricted view of compensation embodied in the Bill ?

The Chamber's solicitors as well as counsel to whom these questions were referred held the view that the Bill was *ultra vires* the Constitution. It was decided therefore to request the European Group in the Provincial Legislature to raise a point of order when the Bill was introduced, that the Bill was *ultra vires* the Government of India Act since the restoration of the lands to their original holders was not a "public purpose" within the meaning of the Act. This was done, but the point of order was opposed on behalf of Government and was ruled out by the Speaker on the ground that other things being equal he should always give his decision in favour of maintaining the jurisdiction of the House rather than limiting it.

The Bill was, in due course, passed by both Houses of the Legislature.

## TIME ALLOWED FOR DISCUSSION OF LEGISLATIVE MEASURES.

In March 1938 the Chamber drew the attention of the Commissioner of Labour to the fact that Government when soliciting the views of public bodies such as the Chamber of Commerce on legislative measures allowed a margin of time for reply altogether incommensurate with the importance of the subject and the work involved. The Chamber pointed out the extreme undesirability of denying to interests affected an opportunity for fuller consideration of legislative measures before such measures reached the Legislative Assembly.

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## BOMBAY SPECIAL (EMERGENCY) POWERS ACT, 1932.

### REPEAL.

In March 1938 the European Group in the local Legislature asked for the views of the Chamber on a Bill which had been published and which had for its object the repeal of the Bombay Special (Emergency) Powers Act of 1932 as the Government considered that the powers granted by the Act were no longer necessary.

The Committee informed the European Group that they agreed with the terms of the Bill and offered no opposition. The Bill was passed by both Houses of the Legislature and received the assent of the Governor-General on the 10th October 1938 (Act XVI of 1938.)

## RULES FOR THE GRANT OF NEW LICENCES FOR THE SUPPLY OF ELECTRICITY.

In March 1938 a special Sub-Committee was appointed by the Chamber to consider and report on the *Press Note* issued by the Government of Bombay, containing the rules laid down by Government for the granting of new licences for the supply of electricity.

In the *Press Note* Government stated that they had appointed a Committee to investigate the rates of all the electric supply companies in the province of Bombay, which were of more than seven years standing, and to recommend the maxima rates which they could be allowed to charge.

With a view to protecting the interests of the consumers of electrical energy, the Government of Bombay directed that every electric licence to be granted hereafter should be subject to the following conditions in addition to those usually imposed hitherto :—

(1) That from the net profits the allotment to the licensee (or the shareholders) shall, in the first instance, be limited to four per cent., any surplus over this being distributed equally between :— (*a*) the licensee (or the shareholders), (*b*) the consumers, and (*c*) Government. This limitation shall not, however, come into operation until three years after the date of the commencement of supply.

(2) That Government will have the right to nominate a director on the Board of a supply company.

(3) That Government will appoint, or approve of the appointment of an auditor to examine the annual statement of accounts of the undertaking under clause II of the Schedule to the Indian Electricity Act, 1910.

(4) That no licence shall be transferable except to a company which may be floated for the purpose and then only on the basis of actual expenditure incurred by the licensee in securing the licence and of any other capital expenditure incurred

(5) That no licence will be granted until the licensee has deposited with Government 20 per cent. of the total estimated cost of the works, this amount being refunded to him in instalments from time to time according to the value of the materials purchased and work done.

(6) That special maxima rates for power to be supplied to agriculture and small industries shall be laid down in every licence; these rates being based on the cost of generation of such power.

(7) That the option of purchase given by section 7 (1) of the Indian Electricity Act shall be exercisable first on the expiration of 30 years from the commencement of the licence and thereafter on the expiration of every subsequent period of ten years therefrom.

(8) That before granting a licence to a company, Government shall have the right to examine any agreement between the Company and their managing agents, if any, and to require suitable modifications therein as a condition precedent to the grant of the licence. In a licence granted to a company provision shall also be incorporated that any agreement between the licensee and the managing agents shall be subject to the approval of Government. If the licence is granted to an individual and it is afterwards sought to be assigned to a company, Government will also then exercise control in a similar manner while granting the necessary consent under section 9 (2) of the Act.

(9) That should a continuous supply of energy of a nature and an amount and at a point suitable to the purpose of the licence be offered by any persons or Government willing to enter into an agreement with the licensee to supply energy to him for a period of not less than seven years at such a charge that any of the limits of prices to be charged by the licensee, could, in the opinion of Government, be reduced below the limits fixed by the licence, as it stands or as it may be subsequently amended, the licensee shall from such date, as Government may fix, enter into such agreement with such person or Government.

The decision of Government on the operation of this condition shall be final.

(10) That clause XI of the Schedule to the Act shall for the purpose of incorporation in the licence be added as follows :—

" Provided further that where an order in pursuance of condition (9) above has been made, the maximum charges fixed by the licence, or as it may be subsequently amended, shall be reduced by an amendment of the licence to such extent as Government may fix."

The Chamber advised Government that they assumed that Government could not do otherwise than desire to encourage the development by private enterprise of electricity in this Province, but they felt that the conditions

referred to above would tend to discourage such development and consequently would not serve to 'protect the interests' of consumers, which was their object. They considered that the interests of consumers as a whole, potential or otherwise, would be best served by development that would render electricity available to the community in general rather than by ensuring the supply at very low or uneconomic prices to limited numbers.

In referring to the conditions as set out the Committee commented as follows:—

*Clause* (1).—Government appeared to have appreciated that it was a characteristic of the electric supply industry that for the first few years of operation revenues were built up very slowly, during a period of heavy capital expenditure. During this period it was not possible to pay any dividends out of earnings, though in some instances dividends were paid out of capital and such payments debited as a promotion expense, to be written off out of future revenues. If it was decided to limit the percentage payable as dividend on the share capital, such limitation should not have effect unless and until the *average* rate of dividends paid from the date of formation of the company reached the limiting figure. If the limiting figure was permitted to be paid out of capital during the early years of operation, the licensee should be permitted to treat such payments as a promotion expense, to be written off out of net profits as soon as these began to exceed the limiting figure. The proposed limiting rate of 4 per cent. was much too low.

In the first place it should be made clear whether this figure was intended to be struck *after* all the necessary allocations had been made to reserve and depreciation funds, prior charges such as debenture interest and preference dividends had been met, and deductions made on account of income tax, etc.

It was extremely doubtful whether a new licensee, or even the majority of old established licensees, in this Province, would be able to issue debentures at 4 per cent.,

when at present the return on Government Securities was only fractionally less than this figure. In Britain, where a system of division of surplus profits between consumers and shareholders had been put into operation, the profit was divisible after 7 per cent. was paid to the shareholders. In the Committee's opinion the figure, for India, should be not less than 8 per cent.

*Clause* (2).—Should Government desire to nominate a director on the Board of a supply company, they should be requested to ensure that the nominee possessed such business or technical qualifications as would be an asset to the Board on which he served. The Committee, however, pointed out that the appointment or approval of an auditor by Government would ensure that any provisions governing the division of profits were properly carried out.

*Clause* (3).—No comment was needed as Government had been provided with the legal right under the schedule to the Indian Electricity Act to appoint an auditor to examine the annual statement of accounts of the undertaking.

*Clause* (4).—The Committee felt that if no reward was to be permitted on the transfer of a licence the enterprise that had hitherto been shown in taking up licences would be restricted. It should be appreciated that, in the past, examinations of projects by promoters had not always resulted in applications for licences. If no profit was to be permitted on successful schemes, then the losses incurred in the examination of an unsuccessful scheme could never be recouped.

*Clause* (5).—This clause would clearly impose a hardship on the 'little man' who might be able to raise capital only after he could show that a licence had been granted. The Committee were of the opinion that the 'works' referred to should be defined as the compulsory works included in the licence and that a limited time should be allowed *after* the grant of licence for the deposit to be made. As the proposed amount of deposit was large, namely 20

per cent. of the total estimated cost of the (compulsory ?) works, the Committee considered that Government should pay a rate of interest on the outstanding balance of the deposit equivalent to the rate obtainable on Government Securities.

*Clause* (6).—The Committee assumed that Government meant not the 'cost of generation,' as stated, but the 'all in' cost, including distribution, capital charges, etc., which frequently formed the greater part of the cost of supply. If this was not the meaning intended by Government, it was clear that such supplies could only be provided under conditions which would involve these consumers being subsidised by consumers in other categories.

*Clause* (7).—The Committee felt that the proposed term of 30 years would deter investors from providing capital, especially when considered in relation to the other terms, such as limitation of dividends, unless provision was made for the payment of a premium if the option of purchase was exercised at the end of the initial term.

*Clause* (8).—The Committee recommended that Government be requested to ensure that any control they might exercise under the clause was not such as to discourage enterprise.

*Clause* (9).—The provision that a licensee might be required to enter into an agreement with some other person or Government where such other person or Government offers to supply energy at a charge which would enable any of the *limits* of prices under the licence to be reduced should be amended to relate any such offer to the licensee's cost of generation. The *limits* of charges under a licence did not necessarily bear any close relation to the actual charges made by the licensee.

The Committee also desired that it should be made clear that the cost of amortisation of any plant, etc., that might be displaced or rendered unnecessary by such agreement, would be taken into consideration in arriving at the cost of supply.

In September 1938 the Government of Bombay issued a fresh *Press Note* in which certain of the conditions previously notified were modified and which also contained certain additional conditions subject to which all electric licences would be granted in future.

One of the modifications proposed by Government was the increase of the amount that might be allotted to the licensee or shareholders under clause 1, from the net profits from 4 per cent. to 6 per cent. The Committee asked Government to provide them with a definition of the term "net profits" and also to inform them whether such a definition would be incorporated in the Government orders.

Up to the time of writing this report no reply had been received from Government.

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## INDIAN MERCHANDISE MARKS ACT, 1889.

### Proposed Revision.

(*See Report* 1937, *page* 87.)

It was recorded in the Chamber's Report for 1937 that the views of the Chamber had been invited by the Associated Chambers of Commerce of India on certain provisional conclusions at which the Government of India had arrived in regard to the main lines on which legislation for the amendment of the merchandise marks law in India might be undertaken. The opinions expressed on the proposals of the Government of India by commercial interests and the Provincial Governments were examined by Mr. R. K. Nehru, I.C.S., of the Department of Commerce, who had been placed on special duty for the purpose and the tentative conclusions reached were embodied in a Report together with a draft Bill.

In July 1938 the Chamber was asked by the Government of Bombay for its views on Mr. Nehru's report. After referring the matter to a Special Sub-Committee the Committee submitted the following comments:

1. Clause 4 of the draft Bill proposed a new sub-section 18 (*e*) (*ii*) in the Sea Customs Act. This sub-section as drafted would indicate that the name of the country of origin must be in letters of a size equal to the largest in the name or trade mark. This the Committee considered was impracticable and the sub-section required amendment. The Committee thought it sufficient to provide that the letters should be clearly legible.

2. The Committee most strongly opposed the provisions in Clauses 7 and 9 that piecegoods, such as were ordinarily sold by length or by the piece, should have conspicuously marked at reasonable lengths on each piece the name of the manufacturer or the wholesale purchaser in India of the piece. They considered this quite unjustifiable. In the ordinary course of trade merchants frequently bought goods and for various reasons were not prepared to disclose the name of the manufacturer from whom they were bought. Moreover, in many instances the name of the wholesale purchaser was unknown at the time when goods were finished and packed. The object of this provision, according to Mr. Nehru's report, was to make it possible when goods were wrongly stamped "to attack the evil at its source by taking proceedings against the manufacturer or wholesale dealer." This, the Committee considered unnecessary as section 7 (6) of the Merchandise Marks Act made it compulsory for a person selling or exposing for sale goods wrongly marked to disclose the name of the party from whom he obtained them.

3. In commenting on the draft Bill for the registration of trade marks in India the Committee had expressed the view that clause 38 of the Bill, which dealt with reciprocal arrangements with the United Kingdom, Indian States and foreign countries, should be deleted and should be the subject of further legislation at a later date when the register of trade marks in India was properly established and functioning. Several of the amendments in the draft Bill to revise the Merchandise Marks Act assumed that clause 58 of the Trade

Marks Bill would be passed into law at the same time as the rest of the Bill. If that was done the amendments to the Merchandise Marks Act and the Indian Penal Code proposed in clauses 2 and 3 of the draft Bill would be a necessary corollary. The Committee, however, did not agree with Mr. Nehru's assumption that with the coming into force of the Indian Trade Marks Registration Act all Indian marks capable of registration would be registered within a short time ; that, in fact, India would be ready to join the International Convention as soon as the Trade Marks Registration Bill became law. The Committee stated that in their opinion it would be a matter of years, possibly 2 or 3, after the Registration Act came into force before the register would be properly functioning, i.e., before the registration of marks in India on any reasonable scale was an accomplished fact. If the amendments proposed in clauses 2 and 3 of this present Bill were passed simultaneously with the Trade Marks Registration Act there would be a period of 2 to 3 years during which a large number of Indian trade marks not yet on the register would cease to be trade marks, and would become merely " trade descriptions "—vide page 5 of Mr. Nehru's report. This was a position which could not be accepted. The Committee were accordingly of opinion that clauses 2 and 3 of this draft Bill should not become operative until an interval of at least two years after the Trade Marks Registration Bill had been passed into law.

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## INDIAN MERCHANDISE MARKS ACT.

### Cotton Yarn Trade.

In April 1938 the Bombay Millowners' Association asked for the support of the Chamber to a representation that had been addressed to the Government of India urging that the permissible variations laid down in the Merchandise Marks Manual between the stamped and actual weight, count, etc., of yarn, should be modified, as it was considered that in certain cases the scale of tolerances provided was

inadequate. It was also suggested that the Indian Merchandise Marks Act should be amended to provide for (*a*) the count of yarn and (*b*) the net weight in pounds of the yarn in the bundle, being stamped on all grey and bleached yarn bundles, other than yarns made wholly from waste, marketed in India.

Before taking action the Committee asked the Manchester Chamber of Commerce for its comments on the proposals of the Millowners' Association and on receipt of these comments they informed the Association that they agreed that it should be compulsory to stamp yarn in the grey state with the weight and count. In the case of processed yarn they felt that to stamp the weight would be misleading and unwise and accordingly urged that marking with the count of the yarn only should be obligatory.

The Committee opposed a suggested amendment that in regard to grey yarn the unit of test be a bundle with a tolerance of 5 per cent. the count being estimated in true condition, that is to say, with a normal moisture content of 8½ per cent. The Committee considered that a bundle is too small to be regarded as a unit of test. They saw no objection to the existing stipulation that 1 per cent. of the total number of hanks in the consignment should be regarded as the basis for test.

The Committee agreed that the marking of the counts of yarn in the grey state should be made compulsory and a 10 per cent. variation in count permitted. In this case also they opposed the "bundle" being considered as the unit of test.

The Committee put forward the view that an amendment which had for its object the standardising of the weight of yarn bundles and which referred specifically neither to bleached nor to dyed yarn, should not be accepted since, as spinners were bound as to length, counts and condition of yarns, no useful purpose would be served by making this amendment.

The Committee agreed that the stamping of grey weight of bleached yarn should be compulsory and that the existing tolerances should remain in force.

In the Merchandise Marks Manual it was laid down that the average length of the whole number of single hanks in a bundle of grey or bleached yarn should not be less than 840 or 819 yards in the case of single hanks and 1680 or 1638 yards in the case of double hanks. The Millowners' Association suggested that in view of their proposal that the bundle should be the unit of test a tolerance in average length of 10 yards per single hank and 20 yards per double hank should be permitted.

It appeared to the Committee that the reference to 840 and 819 yards in the case of single hanks and 1680 and 1638 yards in the case of double hanks referred specifically to yarn in the grey or bleached state. Accordingly they urged that if any amendment was made to the Merchandise Marks Act and Manual this point should be made clear. In consideration of the fact that a tolerance of 10 yards per single hank and 20 yards per double hank was suggested to apply where a tolerance had not before been permitted, the Committee recommended that the amendment should be supported.

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## STAMPING OF WORDS " MADE IN BRITISH INDIA " ON GOODS MANUFACTURED IN THE NATIVE STATES.

(*See Reports* 1932, *page* 149 ; 1933, *page* 115.)

It was recorded in the Chamber's Report for 1933 that in replying to a reference from the Chamber the Government of India intimated that for the purpose of securing the benefit of the preferential rates of duty leviable in the United Kingdom the term " British India " was regarded by His Majesty's Commissioners of Customs and Excise in that country as including the Native States. The use of this term was required on certificates of origin accompanying

imports into the United Kingdom because it conveniently distinguished between the Indian Empire and foreign settlements in India.

In October 1937 a complaint was received by the Chamber that the Bombay Customs Authorities had taken objection to the stamping of the words "Made in British India" on cloth which had been manufactured in the Native States. In view of the fact that Imperial preference was not permitted on cloth stamped "Made in India" instead of "Made in British India" the Committee took the matter up with the Collector of Customs who subsequently reported that the Government of India had ordered that in consideration of the purpose for which piecegoods manufactured in an Indian State were marked "Made in British India," no action should be taken against them under the Merchandise Marks Act when they were intended for export abroad or formed part of transhipment cargo. It was pointed out that as regards piecegoods cleared or warehoused on importation and subsequently re-exported to foreign destinations, there was always the possibility of the importer declaring the goods to be intended for such a transaction at the time of importation and subsequently failing to export them. As a safeguard against the passing of such goods into consumption without the marking being rectified, the Government of India ordered that an undertaking should be demanded from the importers to produce evidence of re-exportation of the goods within a specified period.

## STAMPING OF SIZES OF COTTON VESTS.

In June 1938 the Associated Chambers of Commerce of India asked for the views of this Chamber regarding a representation received from the Calicut Chamber of Commerce in connection with malpractices in the stamping of sizes of vests by certain manufacturers in India.

The Committee informed the Associated Chambers that no similar experiences had been reported specifically to this Chamber, but there seemed little doubt that they were

not unique. The Merchandise Marks Act admitted of a ready procedure in regard to imported goods (*i.e.* through the agency of the Customs at the port of entry) but the creation of a suitable and easy procedure applying the Act at the point of sale had always been a difficult problem. There appeared to be no remedy other than that provided under sections 6 and 7 of the Indian Merchandise Marks Act 1889 which read with section 2 of the Act left it open to any aggrieved or interested party to institute legal proceedings in respect of goods exposed for sale which bore false trade marks or false trade descriptions. Action could also be taken by the Local Government under the Bombay Weights and Measures Act 1932 which *inter alia* provided for penalty for giving short weights or measures in case of articles sold or delivered.

The Associated Chambers in addressing the Government of India on the subject stated that they appreciated that a remedy was available under sections 6 and 7 of the Indian Merchandise Marks Act, but the difficulty arose, as to who was to institute proceedings in court, and there was the additional practical difficulty that in many cases a number only was stamped on the vest outside package and that the offending manufacturer could defend himself on the grounds that the use of a number—such as 40—did not imply a 40 inch measurement but was merely a device used in the factory for a particular make or size. In view of these difficulties in the way of effective individual action under the Merchandise Marks Act, the Associated Chambers placed before the Government of India for consideration the suggestion that Provincial Directors of Industries might be instructed to prosecute offending parties if sufficient evidence was placed before them to enable them to do so.

In October 1938 the Government of India informed the Associated Chambers that the matter was already engaging their attention. Government also invited a reference to paragraphs 26 and 28 of Mr. Nehru's Report on certain

proposals for the revision of the Indian Merchandise Marks law and clauses 7 and 9 of the provisional draft Bill contained in the report where the questions raised by the Associated Chambers had been dealt with.

Copies of Mr. Nehru's Report had been circulated to the Associated Chambers and the Provincial Governments, etc., for opinion and Government stated that they proposed to await their replies before deciding upon a final course of action. Government added that meanwhile the suggestion made by the Associated Chambers for the prosecution of offending parties had been brought to the notice of the Provincial Governments and Chief Commissioners for such action as they might consider desirable.

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## ASSESSMENT TO DUTY UNDER SECTION 30 OF THE SEA CUSTOMS ACT.

(*See Reports* 1932, *page* 155 ; 1933, *page* 102 ; 1934, *page* 105 ; 1936, *page* 69.)

In October 1938 a member enquired whether in arriving at the value, for Customs purposes, of goods shipped from England it was necessary to add to the net cost, plus freight and insurance, any amount paid by way of commission to a buyer or merchant house in England.

After referring the matter to the Import Sub-Committee, the Committee informed the member that in their opinion commission charged to a buyer by a merchant house in England must be included in the value of the goods and was assessable.

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## COLOURED PORTLAND CEMENT.

### Assessment to Customs Duty.

In April 1938 the Associated Chambers of Commerce of India asked for the views of the Chamber on a question raised by the Burma Chamber regarding the method of assessment to Customs Duty of coloured Portland Cement in Burma.

It was pointed out by the Burma Chamber that up till recently coloured Portland Cement had been assessed under item 25 (5) of the Tariff as " Portland Cement excluding white Portland Cement " but the article was at the moment being assessed under item 25 (4) as " Cement not otherwise specified." It was ascertained that the change was made in accordance with the policy of the Government of Burma to keep the Burma Tariff and its interpretation in line with those of India as far as possible because the practice at Indian ports was to assess such Cements under item 25 (4) of the Tariff.

The Burma Chamber added that they were informed that the Collector of Customs at Calcutta summarised as follows his reasons for this practice :

" (*i*) The coloured varieties contain appreciable quantities of mineral pigments up to 10 per cent. ;

(*ii*) The red and brown qualities contain a percentage of iron ;

(*iii*) Green and blue Portland Cement, and some in other colours, have for their base white Portland Cement which is excluded from item 25 (5) ;

(*iv*) Coloured Portland Cements have special uses, unlike grey Portland Cement which is used for general constructional work ;

(*v*) The price of coloured varieties is generally much higher than that of grey Portland Cement."

The first three of these reasons appeared to be open to strong challenge on logical grounds but it was to the last two that the Burma Chamber desired to draw the particular attention of the constituent Chambers. The Burma Chamber regarded it as the duty of Collectors of Customs to interpret the Tariff according to its clear and evident meaning and reasons (*iv*) and (*v*) above appeared to be completely irrelevant for that purpose. The use to which coloured Portland Cement was put could have no effect on the meaning of item 25 (5), since that item made no reference to use, whilst in reason (*v*) the Collector of Customs said in effect that " Coloured Portland Cement is higher in price and can therefore bear a higher duty than ordinary Portland Cement, so we will assess it at the higher rate under item 25 (4)." This seemed to indicate a tendency on the part

of the Customs authorities to arrogate to themselves the right, which belonged to the Legislature alone, to increase duty when they thought the article could stand an increase. The Burma Chamber considered this was a most pernicious doctrine, and drew the attention of the Associated Chambers to the point for such action as they might think fit to take.

The Committee advised the Associated Chambers that they were not in favour of making any representation to Government on this matter as in their view coloured Cements could not rightly be termed " Portland Cements." They understood that the word " Portland " although originally used to denote the shade of the stone obtained from Portland (Grey) had now deteriorated in use and was intended to imply that Cements termed " Portland Cements " conformed to a certain specification. As coloured Cements had an additional ingredient of coloured pigment they could not be said to conform to the specification. Coloured Cements were essentially a luxury product and the Committee feared that if the matter were pursued further, it might lead to the Government of India bringing about a revision in enforcing a still higher percentage of duty. The Committee added that while they appreciated the remarks made in the letter from the Burma Chamber regarding the duty of the Collectors of Customs to interpret the Tariff according to its clear and evident meaning, and that if any doubt existed in regard to any provision for taxation that doubt should be solved in favour of the taxpayer, they felt however that in this particular case, the position was insufficiently strong to warrant a protest to Government.

This Chamber was subsequently informed that the Associated Chambers had intimated to the Burma Chamber that the replies received from the constituent Chambers revealed a sharp difference of opinion not only as regards the merits of the classification of Coloured Portland Cement under item 25 (4) of the Tariff as " Cement not otherwise specified," but also as regards the reasons said to have been given by the Calcutta Collector of Customs in justification

of the assessment of the commodity under this item of the Tariff instead of under item 25 (5), Portland Cement excluding White Portland Cement. Having regard to this difference of opinion and also the danger that if the matter were pursued the result might be a revision of the Tariff which might render coloured Portland Cement, as a luxury product, subject to a higher rate of duty than was the case at the moment, the Associated Chambers decided not to take any action in the matter.

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## ZINC CHLORIDE.

### Assessment to Customs Duty.

In February 1938 a member advised the Chamber that the Customs Authorities had refused to pass any of their consignments of Zinc Chloride at their purchase contract price c.i.f. Bombay although the original contract confirming this price was submitted to them. The Customs Authorities maintained that the price was very low as compared with other importers, and in so far as this contract was made by their Home Office, the Customs contended that the contract price c.i.f. Bombay should be increased by the actual profits per ton, although such profits were made in this country, and because these profits were remitted to the Company's Home Office.

Further the Customs Authorities pointed out that under section 30 (*b*) of the Sea Customs Act the landed cost must include profits and all incidental home expenses, and as the invoice values of the goods imported did not include those items, they did not represent the true landed cost of the goods, and they were not therefore acceptable for purposes of assessment. In the circumstances the goods which had been passed on provisional duty would be assessed on the basis of the cost at which goods of like kind and quality were imported unless fresh invoices made out in the manner already explained were produced.

The Committee informed the member that in their opinion the Customs Authorities were correctly exercising their rights under sections 30 (*b*) and 39 of the Act, and that in the circumstances the member had no redress.

The Committee sympathised with the members' desire to obtain a lower *ad valorem* duty by reason of an advantageous contract but they considered that the intention of the Sea Customs Act was to secure the same amount of duty on goods of like kind and quality, irrespective of pre-importation purchase price. The basis of assessment was "market value" and importers' invoices were only a convenient method of procedure and did not establish any principle of value. The Committee added that the member had a right of appeal under section No. 188 and suggested that they might care to take this action provided that they were confident that they could bring out the fact that the sale price of the article had a relationship to the c.i.f. cost which was reasonable and less than the sale price of the competitive imports quoted against them.

## IMPORTED IRON AND STEEL SHEETS.

### Assessment to Customs Duty.

(*See Reports* 1934, *page* 124 ; 1935, *page* 119.)

It was recorded in the Reports for 1934 and 1935 that the Chamber had urged on the Government of India the necessity for steps being taken to remove the disability which was being suffered or was likely to be suffered by importers of British material owing to the fact that an alternative *ad valorem* duty had been provided for iron or steel sheets, not fabricated and not galvanised, of British manufacture, while no such alternative *ad valorem* duty had been provided in the case of sheets of non-British manufacture.

In March 1938, further representations were received by the Chamber from importers of iron and steel sheets and plates (Items 63 (19) and (20) of the Indian Customs Tariff)

pointing out that though it was intended that British material should be imported at a preferential rate of duty in effect there was no such preference due to the fact that the alternative *ad valorem* duty on the high priced British material was higher than the flat rate, while in the case of competing Continental material there was no alternative *ad valorem* duty and the duty paid at the flat rate was lower than the duty paid at the *ad valorem* rate on British goods.

In addressing the Government of India in the matter the Committee stated that they understood that there was a growing demand for stainless steel in this country and British makers of the article were at the moment labouring under a very grave disadvantage compared with non-British. The Committee therefore again very strongly urged on the Government of India the desirability of prompt action being taken to adjust the position, if not by an amendment of the Indian Tariff Act, at any rate, by the issue of a Notification in exercise of the powers conferred by section 23 of the Sea Customs Act, sanctioning the exemption of sheets and plates of British manufacture from so much of the duty as was in excess of the duty which would be leviable if they were not of British manufacture.

This representation led to a successful outcome and by a Notification No. 101, dated 23rd July 1938, the Government of India added iron and steel plates and sheets of British manufacture to the list of goods exempted from Customs duties or part thereof. The extent of the exemption allowed was as follows :

" So much of the duty as was in excess of the duty which would be leviable if they were not of British manufacture."

## COTTON FENTS.

### Assessment to Customs Duty.

(*See Reports*, 1935, *page* 97 ; 1936, *page* 87 ; 1937, *page* 75.)

In September 1938 the Chamber received through a member a copy of a petition drawn up by the chief dealers

in fents in the Morarjee Gokuldas Market protesting against the duty payable on fents of British origin.

In supporting the petition the Committee informed the Government of India, Commerce Department, that in July 1936 the Chamber addressed a letter to Government in connection with the reduction in the duty on British cotton goods and pointed out that the duty on fents for the same class of goods had not been correspondingly reduced. This resulted in the following position :—

*British.*

| | |
|---|---|
| Cotton goods .. .. .. .. .. | 20 per cent. |
| Fents .. .. .. .. .. .. | 25 per cent. |

*Non-British.*

| | |
|---|---|
| Cotton goods .. .. .. .. .. | 50 per cent. |
| Fents .. .. .. .. .. .. | 35 per cent. |

While non-British fents enjoyed an advantage of 15 per cent. over non-British cotton goods, British fents were penalised to the extent of 5 per cent. The Committee stated that a representation to this effect had been received by this Chamber from members and certain other interests who pointed out that whereas the price of fents was elsewhere in the world governed by the price of perfect goods, cotton fents of British origin (except printed goods) paid actually 5 per cent. more duty than perfect goods and consequently British fents lost much of the advantage that they should possess under a preferential tariff over foreign fents.

The Committee suggested that the Customs Returns would show that this state of affairs had materially affected the imports of British fents during the current year. They therefore requested Government to be good enough to give this matter their further consideration.

A reply was received from the Government of India to the effect that the views of the Chamber had been noted.

## IMPORT DUTY ON WHEAT.

### AMENDMENT OF THE INDIAN TARIFF ACT, 1934.

On the 7th December 1938 a Bill to amend the Indian Tariff Act, 1934, was introduced in the Central Assembly whereby Government imposed a duty of Rs. 1-8 per cwt. on wheat imports into India which took effect immediately.

In the statement of objects and reasons appended to the Bill it was mentioned that owing to the low price at which imported wheat was being landed at the moment at principal ports in India wheat produced in India was unable to compete with it at those ports and in immediately adjacent areas. The extent of the annual demand for wheat in the areas in question was estimated at from 450,000 to 500,000 tons. At the existing low level of world prices there was little chance that Indian wheat could find an outlet in foreign markets and it was more desirable, therefore, that Indian wheat should not be excluded from a considerable part of the home market. It was therefore decided to impose the duty of Rs. 1-8 on wheat and wheat flour imported into India. This rate was sufficient to enable wheat from the principal wheat producing areas in the country to be sold at the principal ports in competition with imported wheat and also allowed a margin to provide for possible increase in the existing difference between selling prices of home-grown and imported wheat in these markets.

The Committee on receiving intimation of the Bill immediately forwarded two telegrams to the European Group in the Central Legislature, New Delhi, which read as follows :—

"We are informed private Bill has been introduced to levy import duty on wheat. Member firms interested are antagonistic and Committee request Group offer strong opposition."

"Reference my telegram yesterday please approach Commerce Member immediately and express following views. While objecting strongly to proposed wheat duty as damaging to interests of local flour mill industry if Bill is to be proceeded with the following minimum

safeguards to the industry should be incorporated as on previous occasions firstly exemption of contracts entered into prior to seventh December secondly refund of duty on imported wheat subsequently re-exported as flour."

The European Group were unable to oppose the Bill as Government and all parties in the House were in favour of the imposition of the duty. The Group therefore confined themselves to attempting to exempt *bona fide* contracts existing on the 7th December and succeeded in persuading Government to agree in part to such exemption. At the last moment, however, opinion amongst all other parties in the House was swayed against such exemption and the Group's amendment was defeated.

The Bill will come up for consideration at the meeting of the Council of State in the middle of January 1939, but the duties were enforced from the date of the introduction of the Bill, viz., 7th December 1938.

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## PIG IRON.

### Tariff Valuation.

In June 1938 the Director-General of Commercial Intelligence and Statistics asked for the views of the Chamber on a proposal to abolish the tariff value for pig iron and assess the article on an *ad valorem* basis, as imports into India of this commodity were negligible and the small imports that took place consisted only of special quality of pig iron.

The Committee informed the Director-General that they had no objection to the proposal.

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## CARBAZOLE BLUE

### Tariff Valuation.

In July 1938 the Director-General of Commercial Intelligence and Statistics asked for the views of the Chamber on a proposal that the tariff-valued head "Carbazole Blue" appearing under item No. 30 (1) of the

Indian Customs Tariff, be amended to read " Carbazoles " so that all dyes of the Carbazole variety might be assessed under the same heading instead of Carbazoles of other than blue shade being assessed under a different heading, *viz.* " Vats—(*c*) other sorts—(*ii*) powder " under the same item number as at present.

After obtaining the views of members interested, the Committee informed the Director-General of Commercial Intelligence and Statistics that they understood that " Carbazole " dyes were Vat dyes. The tariff valuation for " Vats Powder " was Rs. 17 per lb., that of " Carbazole Blue " was Rs. 2-5 per lb. At the time when this classification was adopted, " Carbazole Blue " was singled out for purely practical reasons. It was a dye almost exclusively used by Government Departments for uniforms, such as the Police and the Railways. If it had been included in the Group " Vats Powder," Government Departments would have had to pay 70 per cent. duty instead of 10 per cent. In the technical parlance of the dye trade, the word " Carbazole Blue " did not exist. The trade name was " Hydron Blue." The Committee added that they were informed that there were no dyes which could be described as " Carbazole Dyes " other than the blue shade and they, therefore, recommended that the proposal should be rejected which, if adopted, would mean loss of revenue to the Government without any advantage to the trade.

## GUN METAL.

### Tariff Valuations.

In August 1938 the Director-General of Commercial Intelligence and Statistics informed the Chamber that the imports of gun metal into British India were negligible and its value was higher than those of brass, patent or yellow metal with which it was grouped at the moment under the tariff value heads " Brass, patent or yellow metal (including gun metal) ingots " and " Brass, patent or yellow metal (including gun metal) old." It was therefore proposed to

delete the words and brackets " (including gun metal) " from these tariff value heads and make gun metal ingots and old gun metal assessable on an *ad valorem* basis.

The Committee informed the Director-General of Commercial Intelligence and Statistics that they saw no objection to the words " including gun metal " being deleted in so far as the reference was to new gun metal in ingot form which would permit gun metal ingots being assessed on an *ad valorem* basis. The Committee, however, did not consider that gun metal " old " should be deleted, as in practice it was difficult to differentiate gun metal from brass when imported in the form of scrap. They, therefore, supported the retention of old brass as including gun metal also.

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## TARIFF VALUATIONS.

### Additions and Alterations.

During the year under review the Director-General of Commercial Intelligence and Statistics asked for the views of the Chamber in regard to the following proposals for additions to or amendments of the items of the Tariff Schedule for which tariff valuations are fixed. In each case the Committee had no comments to offer.

(*i*) *Celluloid bangles.*—It was proposed to recast the existing tariff valued heads under item No. 82 (2) of the Customs Tariff and add a new class known as " Patla " bangles.

(*ii*) *Dark coloured crown cork glass bottles.*—It was proposed to assign a separate tariff value for the above under item No. 60 of the Indian Customs Tariff.

(*iii*) *Silk Piecegoods.*—It was proposed to re-introduce tariff values for silk piecegoods imported from China and Japan which had been abolished from the year 1935.

(*iv*) *Japanese Filatures.*—It was proposed to amend the tariff valued head " Japanese filatures " which appeared under item 46 of the Customs Tariff, to " Japanese filatures and hand-reeled and hand-re-reeled."

(*v*) *Kraft Packing Paper.*—It was proposed to amend the existing head " Kraft and Imitation Kraft " to " Kraft and Imitation Kraft, other than bleached."

(*vi*) *Cowries.*—It was proposed to amend the tariff value head " Cowries, Chitra (spotted) " to " Cowries, mottled, commonly known as zillah, tiger and similar other qualities," so as to exclude Chitra cowries from the scope of this tariff value.

(*vii*) *Gallnuts.*—The word " Iranian " to be deleted from the existing tariff value head " Gallnuts, Iranian," so that gallnuts of any origin might be assessed on the same tariff value.

(*viii*) *Preserved Pineapples.*—To fix a tariff value for " Preserved pineapples."

The unit of assessment for this purpose would be per case of 48 tins of 1½ lbs. each.

(*ix*) *Sodium Hyposulphite.*—To avoid the possibility of confusion between " Sodium Hydrosulphite " and " Sodium Hyposulphite " it was suggested that " Sodium Hyposulphite " should be described by its correct chemical name and be amended to read " Sodium Thiosulphate (Hypo)."

(*x*) *Peppermint Oil.*—As the prices of Peppermint Oil imported in containers of 1 oz. or less, which were considerably higher than those of Peppermint Oil imported in bulk, were not taken into consideration in fixing the tariff value for " Peppermint Oil, natural, from the Far East " under item No. 31 (2) of the Indian Customs Tariff, it was also proposed with a view to avoiding any possible confusion in future, to append a note to this tariff-valued head in the following terms :—

" The tariff value applies to peppermint oil packed in containers of more than 1 oz."

## TARIFF VALUATIONS.

### ANNUAL REVISION.

In accordance with the usual practice the Director-General of Commercial Intelligence and Statistics met representatives of the Chamber on Thursday, 17th November 1938 and discussed with them his proposals for the annual revision of the tariff schedule in respect of articles assessed to duty at tariff valuations.

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## PROTECTION TO THE GLASS INDUSTRY.

The following notification No. 458-T (1) issued by the Department of Commerce of the Government of India on the 16th April 1938 is reproduced for purposes of record :—

"In their Commerce Department Resolution No. 458-T. (4), dated the 22nd June 1935, the Government of India announced that they were unable to accept the finding of the Indian Tariff Board in favour of the protection of the Glass Industry owing to the absence at that time of indigenous supplies of essential raw materials of which one of the most important is soda ash. In anticipation of this deficiency being made good within the next few years by the proposed manufacture of soda ash at Khewra no final decision was taken on the claim for protection, but it was decided in the meantime to afford to the glass manufacturing industry a certain measure of relief by way of rebate of the duty on imported soda ash. This concession was sanctioned for a period of three years at the end of which period if it appeared that a *prima facie* case for protection then existed it was intended to make a further reference to the Tariff Board.

2. "The production of soda ash on a commercial scale has not yet developed either at Khewra or elsewhere in India. The concession sanctioned in 1935 is due to expire in June 1938, and no *prima facie* case yet exists for a further reference to the Tariff Board. It appears, however, that there is still some possibility of the production of indigenous soda ash on a commercial scale being undertaken and the Government of India have accordingly decided to extend the existing concession to the glass industry for a further period.

3. "The arrangements announced in paragraph 5 of the Resolution, dated the 22nd June 1935, already referred to are therefore being continued for a further period of two years or (if this is earlier) until the Government of India are satisfied that soda ash in commercial quantities is being produced in India. The situation will then be further reviewed."

## PROTECTION TO THE PAPER INDUSTRY.

(*See Reports* 1935, *page* 122 ; 1936, *page* 75.)

The protection afforded to the Paper and Paper Pulp Industries by the Bamboo Paper Industry (Protection) Act, 1932, will determine on the 31st March 1939. A subsidiary enquiry into the question of classification of paper for tariff purposes was held by the Tariff Board in 1935 and the action taken upon the Board's recommendations having resulted in a not inconsiderable extension of the range of protection previously enjoyed by the Indian paper making industry, the Government of India decided to review the necessity or desirability of maintaining the extra measure of protection which was fortuitously afforded by the imposition of the revenue surcharge of 25 per cent. in 1931. This matter was accordingly enquired into departmentally, but owing to the complicated nature of the data to be examined and in view of the imminence of this further enquiry by the Tariff Board into the whole question of protection to the industry, the Government of India took no action in regard to the surcharge.

In January 1938 the Government of India requested the Tariff Board to re-examine the question of the protection enjoyed by the paper and paper pulp industries in India and to report what protective measures (if any) should be continued after the 31st March 1939.

Subsequently the Tariff Board issued three sets of questionnaires for (1) manufacturers, (2) importers and traders, and (3) newspapers, printers and publishers. These were duly brought to the notice of members interested.

The Tariff Board submitted an interim report on the 30th March 1938, the main findings of which were as follows :—

(*i*) But for the revenue surcharge the average margin of profit realised by the Paper Mills would not have been such as to give the return on the capital invested which the previous Tariff Board considered reasonable, until 1937-38 when a substantial rise in the price of imported paper enabled the mills to raise their selling limits.

(*ii*) The three principal companies, who manufacture paper from bamboo or grass pulp, and whose combined output represented 85 per cent. of the total production in 1936-37, agree that having regard to the present level of prices of imported paper the continuance of the revenue surcharge is not necessary as a measure of protection. The other two companies are not in so strong a position and have pressed for the continuance of the surcharge as a measure of protection. These latter two companies have in the period under review used larger quantities of imported pulp and comparatively less indigenous material than the other three companies and have therefore a less strong claim for protection.

(*iii*) In the case of new and reconstituted mills, taking even the mills' own estimates of costs, the revenue surcharge is not required as a measure of protection at the prevailing level of prices.

(*iv*) The continuance of the revenue surcharge on paper imposes an unnecessary burden on the consumer at the present level of prices and is not justifiable as essential to the development of the industry.

(*v*) Action should be taken under section 4 of the Indian Tariff Act if the price of any class of imported paper should fall to the level which would render the protective duty ineffective.

(*vi*) A reduction in the price of pulp is obviously in the interests of both established and new mills to the extent to which imported pulp is used. Any considerable reduction might result in the substitution of imported pulp for pulp made from indigenous materials; but, taking into consideration the recent rise in the world price of wood pulp and the reduction in the cost of indigenous pulp since 1930-31, the removal of the surcharge is not likely to have this effect.

The Governor-General in Council accepted the above findings and accordingly decided that the revenue surcharge on the protected classes of paper and on wood pulp should be removed forthwith by notification under section 4 of the Indian Tariff Act, 1934. The following notification No. 202-T (4)/38 was accordingly issued by the Department of Commerce of the Government of India on the 25th June 1938 :

"Whereas the articles specified in the first column of the Table annexed hereto are chargeable under the First Schedule to the Indian Tariff Act, 1934 (XXXII of 1934), with duties characterised in the third column thereof as protective;

And whereas in respect of the said articles, the Central Government is satisfied after enquiry that such duties have become excessive for the purpose of securing the protection intended to be afforded by them to similar articles manufactured in India;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 4 of the said Act the Central Government is pleased to reduce the duties chargeable on the said articles to the extent indicated in the said Table.

TABLE.

| Articles, with number of entry in the First Schedule under which chargeable. | Present rate of duty chargeable under the Indian Tariff Act. | Reduced rate of duty. |
|---|---|---|
| 43. Wood Pulp . . . . . | Rs. 56-4 per ton. . | Rs. 45 per ton. |
| 44 (1). Printing Paper (excluding chrome, marble, flint, poster and stereo), all sorts which contain no mechanical wood pulp or in which the mechanical wood pulp amounts to less than 70 per cent. of the fibre content. | One anna and three pies per lb. | One anna per lb. |
| 44 (3). Writing Paper— | | |
| (*a*) Ruled or printed forms (including letter paper with printed headings) and account and manuscript books and the binding thereof. | One anna and three pies per lb. or 18¾ per cent. *ad valorem* whichever is higher. | One anna per lb. or 15 per cent. *ad valorem* whichever is higher. |
| (*b*) All other sorts . . | One anna and three pies per lb. | One anna per lb. |

## PROTECTION TO INDIAN SERICULTURAL INDUSTRY.

(*See Reports* 1932, *page* 128 ; 1935, *page* 101.)

The following notification No. 28-T(2)/38 was issued by the Department of Commerce of the Government of India on the 9th April 1938 :—

" The protection afforded to the Sericultural Industry in India by the Indian Tariff (Textile Protection) Amendment Act, 1934, will determine on the 31st March 1939. The Tariff Board is requested to examine the question of the protection enjoyed by the Industry and to report what protective measures, if any, should be continued after that date.

2. The Tariff Board in making its recommendations, will take into account all relevant considerations including the financial needs of the country and the dependence of the Government of India on import, export and excise duties for a large part of its revenue. It will have regard also to part (c) of the Resolution adopted by the Legislative Assembly on the 16th February 1923 and will consider in particular how its recommendations will affect the handloom weaving industry.

3. Firms or persons interested who desire that their views should be considered by the Tariff Board should address their representations to the Secretary to the Board."

The notification was brought to the notice of members interested.

Subsequently the Tariff Board issued a questionnaire which was also brought to the notice of members.

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## PROTECTION TO THE HEAVY CHEMICAL INDUSTRY.

### MAGNESIUM CHLORIDE.

(*See Reports*, 1931, *Vol. I, page* 130 ; 1933, *page* 145.)

The protective duty imposed on magnesium chloride under the Heavy Chemical Industry (Protection) Act, 1931, has effect only up to the 31st March 1939, and as the Government of India considered it necessary that an enquiry should be held by the Tariff Board in order to ascertain whether any, and if so what, protective measures should be continued beyond that date, the Tariff Board was requested, in December 1937, to examine the question.

In connection with their enquiry the Tariff Board issued a questionnaire in January 1938 and the attention of all members interested was duly drawn to it.

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## RAW WOOL.

### PROPOSED EXPORT DUTY.

In March 1938 a member forwarded to the Chamber a copy of a letter that had been received from the Director of Industries, Bombay, in which it was mentioned that it had

been brought to his notice that lately wool prices had risen considerably and that this increase was attributed to the heavy exports of wool from India. It had been urged that the resultant high price of wool in the market had affected woollen goods manufacturing establishments in general and carpet drugget factories in particular and that if this state of affairs remained unchanged and there was no hope of improvement in wool prices, many establishments using wool in their manufacture would have to close down, thus throwing a large number of workmen out of employment. A suggestion had accordingly been put forward that exports of wool could be minimised and a fall in wool prices could be anticipated if an export duty was imposed on the export of raw wool from this country. Customs statistics bore testimony to the fact that the exports of wool from this country showed an upward trend.

In replying to the Director of Industries, the member stated that the information given in regard to the high price of wool was quite incorrect, as also was the assertion that this increase was due to heavy exports of wool from India, and pointed out that while in January 1938 there was a slight improvement, at the beginning of March there was a recession and prices were at the moment back to the December 1937 level, and the tendency of the market was downwards. With regard to the information that the exports of wool from India had been heavy, it was shown to the Director of Industries by means of figures that there was a steady decline in the volume of exports in the last three years. In any event it was stated that an export duty on raw wool would not cause any appreciable reduction in prices in this country and would be against the interests of the farmers if it resulted in any lessening of the demand for East India wool from overseas. If a duty was imposed which was sufficiently high to check exports to any great extent the farmers would suffer severely, as Indian mills would not take up the supplies available in excess of the export demand. The member considered it was most

unreasonable that Indian Mills should want not only a high protective tariff on imported woollen goods, but, in addition, a duty to check the exports of raw wool.

In taking up this question with the Director of Industries the Committee stated that they entirely endorsed the terms of the member's letter. They suggested that Indian wool production did not have any great influence on the world's market prices and the value of goods manufactured from wool rose automatically with the cost of raw wool. The Committee believed that the wool growing industry was of greater value to India at the present time than the wool spinning and weaving industry and there was therefore more to be lost than gained by taxing the former to assist the latter. In any case, if an export duty were put on wool its production would gradually be diminished to a point where the available supplies would demand a price in accordance with world parity. In conclusion the Committee stated that in their opinion the only possible justification for an export tax on any commodity was for revenue purposes, and then only on commodities like jute which were a monopoly of the exporting country.

## DUTY ON COTTON PIECEGOODS AND YARN IMPORTED INTO EGYPT.

In April 1938 the Bombay Millowners' Association forwarded for the opinion of the Chamber a copy of a representation submitted by that body to the Government of India in connection with the heavy increases which had been imposed by the Egyptian authorities on the duties on cotton yarn and piecegoods imported into Egypt.

The Millowners' Association indicated by means of figures that the value of the average imports of Egyptian cotton into India during the last six years had been very much greater than the values of cloth and yarn exported by India to the Egyptian market. It was further pointed out that the development of a large export market was essential to the Cotton Textile Industry of this country, if

India was to maintain her position as a cotton producing country. A diminution in India's exports of cotton piecegoods and yarns to Egypt as a result of the revised duties would, therefore, still further accentuate the grave difficulties which had arisen in marketing certain of the lower grades of Indian cotton.

The Government of India's attention was drawn to the fact that the new Egyptian duties were more than double the old duties in the classes of goods which India exported. It was the considered opinion of the mills and merchants engaged in this trade with Egypt that the new duties would not merely diminish but were likely to put an end to the trade which India had been able to build up in Egypt.

Finally the Millowners' Association stated that it understood that the Government of the United Kingdom had already submitted to the Government of Egypt a protest against the raising of the duties, and it was suggested that if it was not practicable for India to enter into negotiations separately with Egypt the Government of India might associate themselves with the protest made by the Government of the United Kingdom.

In supporting the request of the Millowners' Association the Committee particularly drew Government's attention to the very favourable balance of trade which Egypt had enjoyed with India since 1934-35.

The Committee suggested therefore that it should be pointed out to the Egyptian Government that if the favourable balance of trade was to be preserved a necessary factor would be the continuation of the existing trade in cotton piecegoods and yarns between India and Egypt, this would not be the case unless the newly imposed duties were rescinded.

The Committee added that they had been informed that the incidence of these duties amounted to 50 per cent. *ad valorem* and that their imposition would probably bring an end to the trade altogether.

## COTTON PIECEGOODS AND COTTON YARN.

### STATISTICAL CLASSIFICATION.

(*See Reports* 1936, *page* 67; 1937, *page* 69.)

The question of examining the possibility of compiling the statistics of the production of cloth in Indian mills in a form which would facilitate a more satisfactory comparison with the figures for imported cloth was first raised in the Report of the Indian Tariff Board (Cotton Textile Enquiry) in 1927. Since then its importance had been emphasized in the Report on the Import Tariff on Cotton Piecegoods and on External Competition in the Cotton Piecegoods Trade (1929) as well as in the Report of the Indian Tariff Board (1932). The Government of India accordingly considered it necessary to prepare a scheme of reclassification of cotton manufactures in the import and production returns and appointed a Special Officer for this purpose in March 1935.

According to the instructions of the Government of India, the Special Officer was directed to examine the following matters :—

(1) Preparation of a skeleton scheme of classification for Indian mill production (spinning and weaving), the division into main heads and sub-heads being decided in consultation with representative producers and the classification drawn up so as to allow for expansion of Indian industry into new lines which are at present covered only by imports.

(2) Examination of the skeleton scheme in consultation with selected textile experts which will lead to the provisional conclusions on the classification of production.

(3) Preparation of a skeleton scheme of classification for imports of which the main heads would correspond with those of production classification scheme, the work being carried out in consultation with representative importers.

In August 1938 the Associated Chambers of Commerce of India forwarded for the views of the Chamber the proposed schemes of classification of (1) production and (2) import statistics under (*a*) cotton twist and yarn, (*b*) cotton piecegoods, (*c*) artificial silk manufactures, (*d*) hosiery and

(*e*) other cotton manufactures, which had been recommended by the Special Officer of the Government of India. The statements embodying these schemes were placed at the disposal of members interested in the rooms of the Chamber.

In addressing the Associated Chambers on the subject the Committee stated that as regards imported goods they were of opinion that the revised classification was a definite improvement on the original proposal in so far as the details of warp yarn had been omitted. The information required in regard to weight and square yardage might cause a certain inconvenience to exporters and when obtained might be of questionable value, but they did not desire to press any objection on these points.

As regards the classification of indigenous yarn and piecegoods, the Committee understood that the Millowners' Association of Bombay were examining this matter and accordingly they requested that Association for its views on the subject. Up to the time of writing this report, however, these had not been received.

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## ANNUAL REVISION OF THE LIST OF ARTICLES SPECIFIED IN THE SEA-BORNE TRADE RETURNS OF BRITISH INDIA.

(*See Reports* 1935, *page* 112 ; 1936, *page* 66 ; 1937, *page* 21.)

In November 1938 the Director-General of Commercial Intelligence and Statistics enquired whether the Chamber had any suggestions to put forward for the amendment of the list of articles specified in the Sea-borne Trade Returns of British India.

All members were circularised in the matter and several suggestions were received all of which were submitted to the Director-General for his consideration.

## WINES AND SPIRITS.

### Declaration of Liquid Quantity and Proof Strength.

In January 1938 members interested in the importation of wines and spirits were advised of a letter that had been received from the Collector of Customs, Bombay, regarding a proposal that correct details of liquid quantity and proof strength in respect of wines and spirits should be declared by importers in their Bills of Entry. The Collector also proposed to issue a notice requiring the marking of the brand and maker's name on cases of wines, spirits and beer intended for warehousing in order to ensure the correct reception into and delivery ex-bond of goods actually entered for warehousing and clearance, and to provide an effective check over the balance of stock of each particular brand in bond.

From the replies received, it appeared that members were agreeable to the proposals, and the Collector of Customs was advised accordingly.

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## BUSINESS HOURS IN THE BOMBAY CUSTOMS CASH DEPARTMENT.

In September 1938 the Bombay Customs Dalals' Association forwarded for the support of this Chamber a copy of a representation that had been submitted to the Collector of Customs in connection with a notification that had been issued to the effect that the Customs Cash Department would be closed at 2-30 p.m. instead of 3 p.m.

It was pointed out in the representation that the mercantile community in general would have to suffer extra fees on account of their failing to pay the Customs Duty by 2-30 p.m. on the last date of the General Landing Date, besides being put to a great deal of inconvenience.

The Committee in supporting the representation informed the Collector of Customs that in their opinion merchants who did not keep a deposit account would be

considerably inconvenienced by this ruling and in consequence would often run the risk of having to pay an extra day's dock charges and more especially when goods had to be opened and examined.

The Committee requested the Collector to reconsider his decision in this matter.

The Collector of Customs subsequently issued a revised notification which cancelled the previous notice and read as follows :—

" With effect from the 26th September 1938, the Cash Department of this Custom House will be open for receiving and making payments on week days, other than Saturdays, during the following hours :—

| | | *On week days.* |
|---|---|---|
| (*i*) | Receiving money .. .. .. | 10-30 a.m. to 3 p.m. |
| (*ii*) | Payments .. .. .. .. | 10-30 a.m. to 2-30 p.m. |
| (*iii*) | Unendorsed cheques on banks that are members of the Clearing House .. .. .. .. | 10-30 a.m. to 1 p.m. |

2. On the last working day of every month, the receiving windows will be closed from 12 noon to 1 p.m. The paying window will, however, be closed at 12 noon.

3. The working hours on Saturdays remain unchanged."

## LICENSING OF MUCCADAMS AND CLERKS FOR CUSTOMS WORK.

In October 1938, the Bombay Customs Dalals' Association forwarded for the support of the Chamber a copy of a representation that had been submitted to the Collector of Customs regarding the licensing of muccadams and clerks for customs work.

It was suggested by the Dalals' Association that in order to reduce the number of unauthorised persons congesting the Customs House a system should be introduced of issuing badges for the licensed dalals, clearing agents and their clerks.

The Collector of Customs in replying to the Dalals' Association stated that the proposal for the issue of distinctive badges to clearing agents and dalals and their clerks

had been approved, but could not be given immediate effect to as there was no provision in the current budget for the purchase of badges for subsequent sale to licensees. Every attempt would be made to make provision for the introduction of the arrangement as soon after April 1939 as might be found possible.

The Committee in addressing the Collector on the subject stated that they strongly supported any steps which would help to identify licensees and stop unauthorised persons congesting the Customs House.

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## THE OTTAWA (INDO-BRITISH) TRADE AGREEMENT RULES.

(*See Reports* 1935, *page* 92 ; 1936, *page* 78.)

The following notification No. 20-T (4)/38 was issued by the Department of Commerce of the Government of India on the 2nd April 1938 :—

"In exercise of the powers conferred by sub-section (2) of section 3 of the Indian Tariff Act, 1934 (XXXII of 1934), the Central Government is pleased to direct that the following further amendment shall be made with effect from 1st June 1938 in the Ottawa Trade Agreement Rules, 1932, namely :—

After rule 5 of the said Rules, the following rule shall be inserted, namely :—

5A. (1) No claim that goods are chargeable with a preferential rate of duty shall be considered by the Customs Collector in respect of goods imported by post unless :—

(*a*) At the time of arrival in British India such goods bear on the covering a declaration as to the country of origin, or

(*b*) Such claim is made by the owner at any time before delivery of the goods is taken.

(2) If the owner of the goods is unable to satisfy the Customs Collector that the goods fulfil the conditions laid down in rule 4 or rule 4 read with rule 4A, the Customs Collector shall proceed in the manner laid down in rule 5."

The following notification No. 20-T (29)/38 was issued by the Department of Commerce of the Government of India on the 10th September 1938 :—

In exercise of the powers conferred by sub-section (2) of section 3 of the Indian Tariff Act, 1934 (XXXII of 1934), the Central Government is pleased to direct that the following further amendment shall be made in the Ottawa Trade Agreement Rules, 1932, namely :—

For clause (*a*) of sub-rule (1) of rule 5A of the said Rules, the following clause shall be substituted, namely :—

"(*a*) At the time of arrival in British India such goods are covered by a declaration as to the country of origin entered in the customs declaration form or (in the absence of such a form) on the wrapper of the package."

Rule 5A now reads as follows :—

"5A. (1) No claim that goods are chargeable with a preferential rate of duty shall be considered by the Customs Collector in respect of goods imported by post unless :—

(*a*) At the time of arrival in British India such goods are covered by a declaration as to the country of origin entered in the customs declaration form or (in the absence of such a form) on the wrapper of the package," or

(*b*) Such claim is made by the owner at any time before delivery of the goods is taken.

(2) If the owner of the goods is unable to satisfy the Customs Collector that the goods fulfil the conditions laid down in rule 4 or rule 4 read with rule 4A, the Customs Collector shall proceed in the manner laid down in rule 5."

## TRADE RELATIONS BETWEEN THE GOVERNMENT OF INDIA AND THE UNION OF SOUTH AFRICA.

In June 1938 in response to an enquiry from the Chamber the Government of Bombay furnished the Chamber with particulars of notes exchanged by the Government of India and the Government of the Union of South Africa constituting a temporary agreement regulating the commercial relations between the two countries. The terms of this preliminary agreement as set out in the notes were :—

1. Articles, the growth, produce or manufacture of the one country, when imported therefrom into the territory of the other country, shall, in respect of customs duties and other taxes and charges levied on imports, and in all matters pertaining to the administration

thereof, be treated not less favourably than like articles, the growth, produce or manufacture of any other country; provided that the one Government shall not be entitled to claim the privileges or favours flowing from preferential treatment accorded, or to be accorded by the other Government exclusively to any of the members of the British Commonwealth of Nations or to any possession or territory to any of them belonging or to any territory under the jurisdiction of any such member either as a Protectorate or as a Mandated Territory.

2. In the event of either Government establishing or maintaining a system of licensing or quantitative regulation of imports, such system shall be so administered as not to discriminate against articles, grown, produced or manufactured in the other country, and the conditions under which licenses or permits may be issued or obtained for the importation of such articles, shall be not less favourable than those applied in the case of like articles, grown, produced or manufactured in any other country.

3. In the event of either Government establishing or maintaining any form of foreign exchange control, such control shall be administered so as to ensure that the commerce of the other country will be granted a fair and equitable share in the allotment of foreign exchange.

4. The most-favoured-nation treatment provided for shall apply also to taxes or charges levied in connection with the internal distribution and sale of imported articles.

5. Notwithstanding the provisions of this Agreement, either of the two Governments may, where for any reason it is deemed necessary, prohibit or restrict the import of any article by the imposition of special duties or otherwise, provided that no such prohibition or restriction shall be imposed or maintained on articles, grown, produced or manufactured in the other country, unless such prohibition or restriction is imposed or maintained on like articles imported from any other country in regard to which like grounds for the application of such measures exist.

6. The provisions of this Agreement shall not extend to favours actually granted, or, which may hereafter be granted, by the Union of South Africa to any state or territory adjoining the Union of South Africa.

7. It is understood that wherever the term "Union of South Africa" is used in the present Agreement, it shall be deemed to include the Mandated Territory of South West Africa.

8. This Agreement shall come into force twenty-one days after the date of this Note, provided, however, that it shall lapse if not ratified by resolution of both Houses of Parliament of the Union of

South Africa during the next ensuing session; and if so ratified, it shall remain in force until superseded by a more comprehensive commercial agreement, for the conclusion of which the two Governments agree to enter into negotiations as soon as possible, or until the expiration of three calendar months from the date on which notice of termination shall have been given by either Government to the other.

## TOBACCO DUTY.

(*See Reports* 1933, *page* 96 ; 1935, *page* 85.)

In March 1938 a Bill was introduced in the Bombay Legislative Assembly to amend the Tobacco Duty (Town of Bombay) Act, 1857, and the Bombay District Tobacco Act, 1933. The object of the Bill was to develop the source of revenue derived from the taxation of tobacco in order to meet part of the loss caused by the new prohibition policy.

In Bombay City duty on tobacco was levied under the Tobacco Duty (Town of Bombay) Act, 1857. Under this Act there was already a substantial maundage fee; but the licence fee was nominal, and there was a great demand for licences which were frequently sublet.

The Bill provided for raising the licence fee in Bombay from Re. 1 to Rs. 25 or Rs. 50 in accordance with whether the tobacco was inferior or superior in kind, as soon as the existing licences expired.

Under the existing Act, an *ad valorem* licence fee was charged to the retailer, but as he did not keep accounts, it had been found difficult to apply the *ad valorem* fee to him. The Bill therefore provided a flat rate of licence fee for retailers and to make up the loss a higher rate of fee for wholesale dealers. The Bill also provided for levying a tax on sales up to 50 per cent. *ad valorem* in specified urban areas in the province in which efficient arrangements could be made to prevent evasion of the tax. It was proposed to introduce this tax in an experimental way to begin with.

The Bill was referred to a special Sub-Committee of the Chamber who recommended that objection should be raised to the proposed discrimination between "superior" and "inferior" tobacco. Any discrimination in respect of licence fees between "superior" and "inferior" tobacco would undoubtedly open the door to smuggling and bribery; it was also doubtful how and where a line could be drawn between so-called "superior" and "inferior" tobacco. The Sub-Committee considered that a system of licences was a better means of levying duty and less liable to evasion than an *ad valorem* tax on sales and in any case they were of opinion that it was inequitable to levy a tax on sales.

The Sub-Committee considered the maxima fees proposed for licences too high, and if adopted would throw out of business several hundred petty dealers who even now with the fee at its existing level, obtained a precarious living, as the margin of profit was exceedingly small.

When the Bill came up for discussion in the Legislative Assembly, the spokesman of the European Group put forward amendments somewhat on the lines suggested by the Sub-Committee of the Chamber, but without success.

The Bill was passed by both Houses of the Legislature practically in the form in which it was introduced.

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## PRESCRIPTION OF MAXIMA AND MINIMA RATES AND FARES FOR RAILWAYS.

In March 1938, the Government of Bombay, Public Works Department, asked for the views of the Chamber on the provisions of a Bill to amend the Indian Railways Act, 1890. The Bill was introduced in the Central Legislative Assembly in August 1937 and at a meeting held on the 9th February 1938 it was resolved to circulate it with a view to eliciting public opinion by 1st January 1939.

The Bill was intended to remedy an omission in the Indian Railways Act of 1890 (as amended). This Act contained no provision that gave Government the power

to prescribe maxima and minima rates and fares for railways in India. Government had, however, exercised this power since the beginning of railway operation over all railways in India, irrespective of whether they were owned or managed by itself or by private companies, or by Indian States, local authorities or provincial governments. To give this power of the Central Government statutory recognition, until such time as a new Federal Railway Law was passed, or for a period extending for five years after the Federation, an amendment to the Indian Railways Act had been found necessary.

The Committee informed the Government of Bombay that they saw no objection to the Bill and agreed to the terms thereof.

## RAILWAY RATES.

### Notices in the Press regarding Amending Circulars.

In July 1938 the Chief Traffic Manager, G.I.P. Railway, inquired of the Chamber whether the insertion of notices in newspapers regarding railway rate circulars had proved to be of any practical benefit to the commercial community and whether there was justification for continuing them indefinitely.

The Committee stated that in their opinion the notices of changes in rates should continue to be inserted in the press. There was no doubt that particular interests regularly in touch with the Railways took their own steps to keep informed, but in addition to providing a useful check it was evidence to the general public that the Railways took all reasonable steps to keep them informed of changes in the rates.

## LOCKS, SCISSORS, TOOLS, ETC.

### Railway Packing Conditions.

In July 1938 the Indian Railway Conference Association asked for the views of the Chamber regarding a proposal for the amendment of the packing conditions for locks, scissors, tools, etc.

Special packing conditions existed over the N. W. Railway and the E. I. Railway for locks, scissors, tools, etc. These conditions were introduced as consignments of these articles with ordinary packing often got damaged in transit involving the railway in payment of claims.

In order to enable the railways concerned to cancel their existing exceptions and as special packing conditions for these articles appeared to be generally desirable, it was recommended that—

(*i*) the following new condition P/27 be adopted and attached to the entries of locks and tools, N.O.C. " P/27 must be securely packed in 3/4" thick wooden boxes with two wooden battens on each of the four sides, also secured with wire bands on either side and in the centre, the centre wire to be sealed by the despatchers. No box containing these articles must weigh more than one maund."

(*ii*) the words and symbols " and P/23 " appearing in the 3rd line of the preamble under Section I on page 575 of the I.R.C.A. Goods Tariff No. 21 should be altered to read as " P/23 and P/27."

The Committee informed the Indian Railway Conference Association that in their opinion in cases where this class of goods was sent at railway risk, the Railway was justified in making such conditions as they considered desirable. In the case, however, of goods sent at owner's risk, the Committee felt that the form of packing suggested might be too expensive for this type of trade to bear.

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## RECLASSIFICATION OF ELECTRICAL APPLIANCES AND FITTINGS.

In April 1938 the Indian Railway Conference Association asked for the views of the Chamber on the question of the reclassification of electrical appliances and fittings. It was stated that the rapid industrialisation of the country and the development of electrical power had resulted in an extensive demand for electrical machinery and appliances. The list of electrical appliances and fittings shown in the General Classification of Goods in the Indian Railway Conference Association Goods Tariff No. 20 was limited, and it was becoming increasingly difficult for the Railway

staff to determine the correct classification of numerous appliances as had not been specially provided for. An appropriate revision or amplification of the entries coming under the four classification groups provided for " Electrical Appliances and Fittings " had therefore become a necessity.

The Committee of the Chamber in consultation with a special Sub-Committee carefully examined each item for reclassification and submitted their views thereon to the Indian Railway Conference Association.

The Chamber's letter together with the letter from the Indian Railway Conference Association were subsequently placed at the disposal of members interested.

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## RAILWAY CLASSIFICATION OF GOODS.

### AMENDMENT IN RESPECT OF CERTAIN COMMODITIES.

(*See Report* 1937, *page* 102.)

During the year under review the Chamber was asked by the Indian Railway Conference Association for its views in regard to various proposals that were put up for discussion at the meetings of the Commercial Committee in connection with the amendment of the General Classification of Goods. After consulting the Docks and Railways Sub-Committee in each case, the Committee approved of most of the proposals and, except in the cases noted below, offered no comments.

*Blossom Wheat* (December 1937).—The Chief Traffic Manager, G.I.P. Railway, proposed that the classification for blossom wheat should be revised as follows :—

| *Existing.* | | *Proposed.* | |
|---|---|---|---|
| Foods, patent prepared from cereals and/or milk .. .. | 6 R.R. | Foods, cereal .. .. | 2 R.R. |
| | | Foods, milk .. .. | 6 R.R. |

The Committee stated that they understood that "Force" and similar goods would be rated at 2 R.R. under the new proposal and if this were so, they agreed with the proposal.

*Khas and Motia Waters* (February 1938).—The Indian Railway Conference Association asked for the views of the Chamber on a suggestion that the classification of Khas and Motia Waters should be altered from 4 R.R. to 4-B R.R., 4 O.R.

The Committee advised the Indian Railway Conference Association that in the absence of any reasons for the proposed enhancement of the classification of Khas and Motia Waters from 4 R.R. to 4-B R.R., 4 O.R., they were unable to offer any opinion.

*Paint Mura Di-Solve* (March 1938).—The Committee suggested that as " Paint Mura Di-Solve " appeared to be a trade name it should be included as a " synonym " in Appendix A, General Classification of Goods, and be charged as " Paints and Varnishes Removers, inflammable, P.D.L.," 10 R.R. and 9 O.R.

*Lamb Skins* (April 1938).—It had been recommended that " Lamb Skins " should be included in the list of excepted articles.

The Committee informed the Indian Railway Conference Association that they were in accord with the views expressed by the Chief Commercial Manager, North Western Railway, in so far as the rates and conditions of freight should be consonant with the value of the trade. They considered, however, that the Indian Railway Conference Association should give very careful consideration to the peculiar significance of the trade in lamb skins between Afghanistan and India as they understood that this trade formed Afghanistan's basic article of export and a serious curtailment might cause a diversion of trade. The Committee understood that a trade agreement with Afghanistan was now in course of negotiation by the Government of India. The North Western Railway was doubtless informed of the progress of these negotiations and the Committee had no doubt that any action that was under consideration would be taken only if it was not prejudicial to the greater issue of trade as a whole between the two countries.

*Sugar Cubes and Amorphous Sugar* (July 1938).—A recommendation was put forward that sugar cubes and amorphous sugar be included in the list of synonymous trade names, etc., as a synonym for sugar. No alteration in the classification of sugar-candy was considered necessary.

After obtaining the opinions of the Docks and Railways Sub-Committee and of members interested the Committee informed the Indian Railway Conference Association that in their opinion sugar cubes and amorphous sugar should be rated as sugar. They further suggested that sugar-candy should be left with a separate classification, i.e., it should not qualify for the special rates and concessions allowed for sugar on certain journeys and should not in any case be charged at a lower rate than sugar.

*Glassware* (August 1938).—A proposal was put forward that cheap miniature pocket mirrors, not exceeding 4" in diameter, enclosed in frames made of celluloid or other cheap materials be classified 4 R.R.

The Committee stated that in their opinion the dominant consideration should be glassware and that the Indian Railways would be well advised to adopt a classification similar to the English one and suggested the following :—

| | |
|---|---|
| Glassware Div. A. e. .. .. .. .. .. | 9 R.R. |
| As under :— | |
| Mirrors, N.O.C. | |
| Glassware Div. C. e. .. .. .. .. .. | 6 R.R. |
| As under :— | |
| * * * | |
| Mirrors, tin, wooden, or celluloid framed, not exceeding 14 inches by 10 inches. | |

*Rubber Mixtures* (August 1938).—A proposal was put forward that rubber mixture be included in the list of manures.

The Committee agreed that while the rubber mixture referred to by the S. I. Railway was chargeable as manures, they did not think it would be advisable to index "rubber mixture" to manures as there were many mixtures of rubber which were not used for this purpose. As this mixture

appeared to be used for rubber trees which grew only in South India, they suggested that the S. I. Railway should meet the situation by notifying a local exception.

*Dhamasa* (August 1938).—A proposal was put forward to include " Dhamasa " under the commodity " grass " or " tanstuff, N.O.C." which are charged at 1 R.R. The commodity is just like grass and sold at very low price per maund in the market. It is used for tanning purposes.

The Committee considered that this article should be shown under Appendix A of the Goods Tariff chargeable as " tanstuff, N.O.C." and should not be included under the main head of " transtuff, N.O.C." as proposed.

*Bamboo Splits* (September 1938).—The Committee informed the Indian Railway Conference Association that they considered that there was no necessity to show " bamboo splits " under the list of synonyms in Appendix A as the commodity obviously came under the main head " Bamboos, 3 R.R."

*Bituminous Solution* (September 1938).—A recommendation was submitted that the classification of bituminous solution be enhanced from 2 B R.R. ; 2 O.R. to 3 R.R. ; 2 B O.R., the same as applied to " Colours and Dyes, Dn-B."

Members interested were consulted and as a result of the replies received, the Committee informed the Indian Railway Conference Association that in view of the fact that the price of the bulk of bituminous solution at the moment on the market was low in comparison with the prices of ordinary paints and dyestuffs, they did not see sufficient justification for increasing the freight rate on bituminous solution.

*Perchloride of Mercury* (November 1938).—A proposal was put forward to classify perchloride of mercury or bi-chloride of mercury—(Corrosive Sublimate) p.d. 1. at 8 R.R. 6-A O.R. The Committee recommended that perchloride of mercury should be classified at 10 R.R. and 9 O.R.

## INDIAN RAILWAY ENQUIRY COMMITTEE.

(*See Reports* 1936, *page* 109 ; 1937, *page* 91.)

In April 1938 the Government of India, Railway Department, issued a statement showing the action taken by that Department on the recommendations contained in Chapters III to XI of the Report of the Indian Railway Enquiry Committee, 1937.

The statement was placed at the disposal of all members.

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## SHORTAGE OF RAILWAY WAGONS.

(*See Report* 1937, *page* 92.)

Reference was made in the Chamber's Report for 1937, page 92, to correspondence which had been exchanged between the Bengal Chamber and the Railway Board in regard to the difficulties which were being experienced by industrial concerns and other interests in obtaining their coal supplies, owing to the alleged shortage of railway wagons.

The situation apparently again became critical early in January 1938 and the Chamber received further complaints from members. The Coal Wagon Supply Committee issued two notifications on the 13th January 1938. In one they requested all public utility concerns and other consumers to communicate with the Committee stating the exact nature of their concerns, the amount of coal on hand and their average monthly consumption with particulars of collieries in order to facilitate wagon supplies for loading coal at times when there were not sufficient wagons to meet all requirements in full.

In the other notification the Coal Wagon Supply Committee stated that in order to avoid the possible closing down of some mills and other industrial concerns owing to the non-supply of wagons for loading their coal it had

been decided that public utility concerns who were entitled to wagons under priority would receive no supplies on Tuesday, Thursday and Saturday for two consecutive weeks commencing from Tuesday, the 18th January 1938.

Shippers of bunker coal were informed that their requirements of bunker coal for shipment at Kidderpore Docks should take advantage of the wagons which would be available during these three days. The Calcutta Port Commissioners were requested to open steamer stations to suit bunker suppliers and to enable Railways to supply wagons accordingly.

Jute mills, cloth mills, woollen mills, paper mills and other public concerns not entitled to wagons under priority list were requested to arrange with their coal suppliers to load wagons on their account on the days mentioned.

Both the above notifications were brought to the notice of all members.

In June 1938, the Indian Mining Association, Calcutta, addressed the Chamber pointing out that over the previous six months coal supplies, particularly up-country, had been very meagre. The advent of the monsoon had, however, resulted in some restriction in the movement of certain commodities and in consequence more wagons were available for the carriage of coal.

As there was every reason to believe that there would be another serious shortage of wagons from November onwards, the Association suggested that members should increase their orders for coal at once and lay in stocks against the anticipated shortage of wagons.

The Indian Mining Association also forwarded to the Chamber a copy of a letter they had addressed to the Government of India Department of Communications and Railways in regard to the difficulties caused to the trade by the continuous short supply of coal wagons.

In their letter the Indian Mining Association stated that it had been pointed out to the Railway Board that the Coal Wagon Supply Committee had not the necessary organisation to ensure effective control over wagon supplies. As a result of this the Railway Board had added to the Committee a representative of each of the railways concerned, the B. N. Railway and the E. I. Railway, while the whole subject was one fixed for discussion between the trade and the Railway Board when the Chief Commissioner and the Financial Commissioner would visit Calcutta at the end of July 1938.

The Indian Mining Association added that every avenue had been explored which appeared likely to lead to an improvement in the situation. The wagon shortage had continued for an unprecedentedly long period—nearly six months—without a break and although the early arrival of the monsoon coinciding with a considerable amount of industrial unrest was permitting the allotment of more "public" wagons, yet they viewed with apprehension the probable repetition of similar conditions from December 1938.

The representatives of the E. I. and B. N. Railways indicated that the only solution was to increase the line development of both Railways to permit of the running of more trains, but such development would occupy many years while the problem was an immediate one. The Association pointed out that with the facilities now available an improvement could be brought about in the supply of wagons for loading coal by :—

(*i*) An increase in wagons and locomotives.

(*ii*) An increase in (*a*) the load per wagon, (*b*) the load per wagon day.

(*iii*) A system of nominated loading.

(*iv*) Despatch of coal wagons in rakes and half rakes.

In conclusion the Indian Mining Association stated that it fully realised that it was not only the coal trade which had a claim for transport on the railways, and, in view of the complaints received by the Coal Wagon Supply Committee from many Chambers of Commerce and Trade Associations that their members concerns were closed down for lack of coal supplies, they were sending a copy of this letter to the Government of India Commerce Department with a view to the institution of a detailed enquiry to ascertain whether the advance in Indian industrial development was not rapidly outstripping the transport capacity of the country.

## SPEEDING UP OF GOODS TRAINS.

(*See Report* 1937, *page* 112.)

At an informal meeting held in August 1937 between the Committee of the Chamber and the Chief Commissioner of Railways, the possibility of speeding up of goods traffic was discussed. The Railways were more than sympathetic to the idea of speeding up goods traffic by special through trains provided sufficient consignments of any one class of commodity was available. Members were circulated for their views, but suggestions were only received from the Oil Companies whom the Chamber advised to take up the matter direct with the Railway Companies. In February 1938 the Chamber was informed that the G.I.P. Railway had been running an "Oil Special" goods train since the first of that month.

In July 1938 the B. B. & C. I. Railway informed the Chamber that after preliminary investigations, they had entirely re-organised their system of dealing with goods consignments in less than wagon loads in order to provide an accelerated service. Briefly, the old system was to load up such consignments in transhipment road vans, which were placed on the transhipment platform line at transhipment stations such as Bulsar, Baroda, Ajmer, etc., where the traffic was re-packed and sent forward to destination. The delays

which took place at these transhipment stations resulted in the transit time of small consignments largely exceeding that of full wagon loads, and all efforts to quicken up the movement of these small consignments so as to get them to destination in the same time as full wagon loads had proved abortive. The old system had been entirely abandoned.

Under the new system, packages were loaded in sectional vans, instead of in transhipment vans, these sectional vans were attached to a van goods train, which ran throughout the day and night and was accompanied by travelling clerks and hamals, who carried out on the train the sorting and re-packing work formerly done at the transhipment stations, thus eliminating entirely the delays which previously occurred through placing the vans in the transhipment sheds.

The results of this complete re-organisation had been remarkable. In the case of small consignments travelling a short distance, there had been a saving of 24 hours, while in the case of the longer distance traffic the saving in time had been proportionately higher because several intermediate transhipments had been eliminated.

For example, consignments were reaching Beawar from Ahmedabad in two days instead of six and the transit time of consignments moving between Delhi and Indore had been reduced to six days. Goods consigned in Bombay were being given next day delivery as far as Sachin, second day delivery from Surat to Anand, and third day delivery from Anand to Ahmedabad.

The Railway added that merchants all over the Railway had expressed their appreciation of the speeding up of traffic so far effected, and still greater improvements were anticipated. In the introduction of a complete reorganisation of this nature on a railway system nearly 4,000 miles in length, it was natural that numerous difficulties and obstacles arose, but these were being satisfactorily solved.

## UP-COUNTRY SURVEYS.

### CLAIMS FOR SHORTAGES AGAINST RAILWAYS.

(*See Reports* 1936, *page* 143 ; 1937, *page* 115.)

It was recorded in the Chamber's Report for 1937 that the Railway Board had addressed the Indian Railway Conference Association in regard to the question of permitting surveys to be held at railway stations by insurance companies' representatives before goods were removed from Railway premises, and that a reply was awaited.

In January 1938 the Indian Railway Conference Association requested the Associated Chambers to ask Insurance Companies to furnish individual railways with details of all consignments on which claims had been paid during the previous six months.

A statement was accordingly drawn up by the Bombay Underwriters' Association which the Committee forwarded to the Indian Railway Conference Association. Attention was drawn to the fact that since the time given for submission of the figures was so short and the period covered was limited to the previous six months, it detracted considerably from their usefulness.

The Committee added that a well-known insurance company which was a member of this Chamber, had stated that their experience had been so bad in the past in this matter that they had found it necessary to refuse theft, pilferage and non-delivery cover for despatches by railway even at greatly enhanced rates, and they considered that any details of claims furnished were not likely to be representative of the actual losses, which had been suffered by consignors.

The subject was discussed by the Commercial Committee of the Indian Railway Conference Association at their meeting in February 1938 when they made the following recommendation :—

" On several railways the present practice is that when a consignment shows clear evidence of damage or loss, it is surveyed by railway staff irrespective of whether the consignment is booked at R.R. or

O.R. and a certificate showing the result of such survey is granted to the consignee. When the consignment is booked at owner's risk, the open delivery is without prejudice. It is considered that this practice could be adopted generally by railways and if this were done, there would be no necessity for a survey to be made by an Insurance Company.

2. Apart from the fact that in such circumstances the presence of a representative of an Insurance Company would not be necessary, it is considered further that such an arrangement as that suggested by the Associated Chambers of Commerce is not desirable for several reasons which it is unnecessary to detail, the principal of which are the undesirability of introducing a third party into a transaction in which only two parties, viz., the railway and the holder of the railway receipt, are concerned, and the inevitable delay which would be caused.

3. The Commercial Committee, therefore, recommend that the Associated Chambers of Commerce be informed accordingly with an enquiry as to whether they desire the procedure referred to in clause 1 above to be adopted."

The Associated Chambers asked for the views of this Chamber in regard to the procedure suggested in the recommendation.

After consulting the Bombay Underwriters' Association the Committee informed the Associated Chambers that they believed that the procedure outlined would meet with general approval. The Committee at the same time forwarded a copy of a form which, they understood, was used by the members of the Bombay Underwriters' Association in such surveys and enquired whether the Indian Railway Conference Association would be prepared to recommend its adoption to the railways for general use.

This Chamber was subsequently informed that the Associated Chambers had intimated to the Indian Railway Conference Association that while several of the Chambers still considered that it would be preferable if arrangements could be made for surveys of insured consignments to be carried out in the presence of an insurance representative who would be treated as agent for the consignee, the Chambers generally agreed that the procedure recommended by the Commercial Committee of the Indian Railway

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Conference Association represented a considerable advance in the direction of uniformity. They thought that it would in practice work satisfactorily and they accordingly recommended that it should be given a trial. The Association at the same time forwarded for the information of the Indian Railway Conference Association a copy of the form which had in the past been used in railway surveys of this nature and enquired whether the railways were prepared to adopt this form for general use simultaneously with the introduction of the survey procedure referred to above and also the date from which it was proposed to introduce the new procedure.

## CENTRAL TRANSPORT ADVISORY COUNCIL.

(*See Report* 1937, *page* 136.)

It was recorded in the Chamber's Report for 1937 that the Associated Chambers had suggested to the Government of India the desirability of allowing unofficial bodies to be represented on the Central Transport Advisory Council and that the Government of India had brought the suggestion to the notice of that Council.

In January 1938 the Associated Chambers informed this Chamber that Government had replied to the effect that the question of its constitution was discussed by the Transport Advisory Council and it came to the conclusion that it was unnecessary to change the existing constitution in order to allow non-official representation on the Council. It recommended, however, that wherever possible Provincial Governments should be given time and opportunity to discuss the agenda with the Provincial Boards of Communications.

The Committee advised the Associated Chambers that in their opinion the position as defined in Government's reply might be accepted for the time being, but the question should be re-opened if it was found that the position did not meet the requirements of the commercial community.

## CONSOLIDATION AND AMENDMENT OF THE LAW RELATING TO MOTOR VEHICLES.

(*See Reports* 1936, *page* 59 ; 1937, *page* 136.)

On the 18th March 1938 a Bill was introduced in the Legislative Assembly which had for its object the consolidation and amendment of the law relating to motor vehicles. In the statement of objects and reasons appended to the Bill it was mentioned that it had been recognised for some years past that the Indian Motor Vehicles Act, 1914, which was framed to suit conditions at an early stage of development of motor transport, was no longer adequate to deal with conditions brought about by the rapid growth of motor transport in the past two decades. In the interests alike of safety and convenience of the public and of the development of a co-ordinated system of transport, much closer control was required than the existing Act permitted, and it was necessary to take powers to regulate transport.

The question of the co-ordination of road and railway transport and the methods by which the object could be secured consistently with the public interest had engaged the attention of the Government of India for some years past. As early as 1933, Messrs. Mitchell and Kirkness carried out, at the instance of the Government of India, an enquiry into these problems and submitted a report in which they emphasized the importance of early action. The Road-Rail Conference convened by the Government of India in the same year passed a resolution, *inter alia*, recommending control of public service and goods motor transport. In January 1935 the first Transport Advisory Council made definite recommendations to the same effect. In the following year a Bill was framed to give effect to these recommendations which was approved by the second Transport Advisory Council who also recommended a complete overhaul of the Act of 1914 at an early date and the appointment of a committee to enquire into and report on the subject of compulsory insurance of motor vehicles.

A Bill was introduced in August 1936 to amend the Act of 1914 on certain points. It was, however, recognized then that a more comprehensive measure would have to follow. The Legislature decided that the Bill should be circulated and this was done, but before further action could be taken on it, the reports of the Motor Vehicles Insurance Committee and of the Wedgwood Committee were received. Government decided that in the circumstances it was preferable to drop the partial measure and to present a more comprehensive Bill. The present Bill incorporated the main recommendations of both these Committees and was the outcome of consultations with Provincial Governments and the Third Transport Advisory Council which deliberated on it in December 1937. The principle of compulsory insurance had been approved by almost all the Provincial Governments, though there were differences of opinion as to whether its adoption should be entirely optional or whether, in the interests of uniformity, its adoption within a certain period of time should be obligatory.

The Bill was referred to a Select Committee and at the same time was circulated for opinion. The Government of Bombay asked for the views of the Chamber on the Bill.

The Committee examined the Bill in consultation with a special Sub-Committee and in addressing the Government of Bombay on the subject they pointed out that the Bill was designated "A Bill to consolidate and amend the law relating to motor vehicles," but in the "Statement of Objects and Reasons" it was made clear that the Bill had been framed with the intention of serving a dual purpose, viz :—

(1) to legislate for the regulation of motor vehicles,

(2) to provide for the co-ordination of road and rail transport.

In the opinion of the Committee, the law relating to the regulation of motor vehicles and the co-ordination of different forms of transport in the interests of the country

as a whole were two distinct and fundamental issues of major importance which could not, at that stage, be dealt with adequately in a single legislative measure without risk of public interests being made to suffer in one direction or another.

In regard to that aspect of the Bill which dealt with the regulation of the use of motor vehicles, the Committee were in substantial agreement with the measures proposed. Certain amendments which they wished to recommend were referred to in their letter.

In regard to those parts of the Bill which provided for the co-ordination of motor vehicles and other forms of transport, the Committee were of opinion that the proposals should be rejected as unsuitable for inclusion in a Bill which did not provide for the control of other forms of transport.

The Committee did not wish to suggest that co-ordination of all forms of transport was undesirable. They were firmly of opinion that co-ordination was desirable. But they were equally of opinion that this co-ordination should be provided for by measures which were not merely a section of a Bill which had the primary function of regulating the use of motor vehicles.

More particularly did it appear to the Committee that the fixing of rates envisaged by section 44 (2) suggested as a condition precedent the functioning of an independent tribunal with power to examine and co-ordinate all forms of public transport. It was undesirable that an Authority created by an Act to regulate motor vehicles and charged with the responsibility of considering the cost of operation and the facilities provided by the transport working under the Act should also be charged with the responsibility of safeguarding the interests of other forms of transport.

The development of the cheapest and most flexible system of transport was clearly of the greatest possible commercial importance. The co-ordination of all forms of

transport to that end required full consideration of every relevant factor of cost, general public interest and public safety, which might affect the issue, and the Committee were of opinion that many important aspects of the problem of co-ordination could not be dealt with adequately under an Act which dealt with one form of transport only.

With these general considerations in mind the Committee commented in detail on certain sections of the Bill.

The Chamber's letter to the Government of Bombay will be printed in full in the Appendices to this Report.

The Report of the Select Committee was presented on the 8th August 1938. The Select Committee made several amendments in the Bill. In this connection the Committee telegraphed to the European Group in the Central Legislature that they strongly reiterated their original views in regard to the advisability of mandatory third party insurance in all Provinces. Further, while accepting the desirability of co-ordination of transport the Committee considered that the fixation of rates of freight should be excluded as a method of attaining such co-ordination. When the Report of the Select Committee was considered by the Legislative Assembly some of the recommendations were not accepted. The Bill was passed by the Legislative Assembly on the 17th September 1938 and will come up for consideration in the Council of State during the 1939 Budget session.

## MOTOR VEHICLES.

### Hire Purchase Business.

In April 1938 the Associated Chambers of Commerce of India recommended for the consideration of constituent Chambers a question raised by a member of the Punjab Chamber in connection with the non-recognition in the Motor Vehicles Bill of the rights of a hire purchase company to the ownership of the vehicles until such time as the terms of the hire purchase agreement were fulfilled.

The Committee informed the Associated Chambers that they did not consider that there was any clause in the Motor Vehicles Bill which would abrogate the rights of hire purchasing companies or in any way affect the legal position arising out of contracts for sale.

They thought it inadvisable that provision should be made in the Bill for a special category of creditors and suggested that if hire purchase companies considered they should be given special rights in the matter of lien on goods they supplied, recognition of such rights should be obtained by separate legislation covering all hire purchase transactions and special rights should not be sought in regard to motor vehicles only under an Act which had been framed to control the use of motor vehicles and not for the purchase and sale thereof.

## TRAFFIC RULES IN BOMBAY.

In November 1938 the Committee's attention was drawn to item No. 49 of a notification that had been issued by the Commissioner of Police, Bombay, and published in the *Bombay Government Gazette* of 10th November 1938 which read as follows :—

"All vehicles shall pull up facing in the direction of the traffic flow. Travelling against the flow of traffic is prohibited."

The Committee requested the Chamber's representative on the Traffic Advisory Committee to express the view that while there was little doubt that the traffic theory inherent in this proposed rule was theoretically sound, it pre-supposed conditions of traffic which permitted of it being applied in practice. The Committee were of opinion that such a ruling was not practicable generally in Bombay. There were many narrow streets in which it would be impossible to adhere to the rule without incurring risks and congestion which would be greater than those which the rule was intended to obviate.

The Committee added that they were informed that a similar traffic regulation had been tried in other parts of the world, but had not been generally successful, nor did the rule appear to be mandatory in the United Kingdom Highway Code.

## PROPOSED PROHIBITION OF THE USE OF ELECTRIC MOTOR HORNS.

The following notification was issued by the Commissioner of Police and published in the *Bombay Government Gazette*, Part I, dated 9th June 1938 :—

No. 56/M.V.—Whereas it is proposed by the Commissioner of Police, Bombay, in exercise of the powers conferred on him under rule 22 of the Bombay Motor Vehicles Rules, 1915, to prohibit the use of electric horns on motor vehicles from 1st January 1939 within the limits of the City of Bombay, it is therefore hereby notified for the information of the persons likely to be affected thereby that any objections or suggestions received by the Commissioner of Police within two months from the date of the publication of the notification in the *Bombay Government Gazette* will be duly considered.

The Committee informed the Commissioner of Police that they regarded the proposed action as undesirable. They considered that whereas motor car manufacturers throughout the world had deemed it necessary to fit electric horns which were easily accessible on the steering wheel, it would be a most retrograde step to revert to bulb horns which by their nature had to be fixed in a less accessible position and were slower to operate with the consequent danger to the public when an emergency occurred. Such advantage, if any, as regards the question of noise would be more than counterbalanced by the additional danger to the public.

In spite of the combined efforts of the representatives of the Chamber and the Western India Automobile Association the other members of the Traffic Advisory Committee favoured the banning of electric horns for a period of six months from the 1st April 1939.

The Committee thereupon addressed the Government of Bombay, Home Department, protesting against the ban and pointing out that the substitution of one method of warning for another was in their view no solution of the noise problem. Whilst they were entirely in favour of the suppression of the noise nuisance they considered that the police should use the ample powers they possessed to enforce the rules already in existence for the prevention of the abuse of horns rather than introduce new regulations.

Intimation was subsequently received from Government to the effect that the Commissioner of Police had been instructed to withdraw his notification.

## JOINT TOWN PLANNING COMMITTEE.

(*See Reports* 1936, *page* 153; 1937, *page* 116.)

The Joint Town Planning Committee which was formed in 1936 for the purpose of co-ordinating the views of various unofficial public bodies in regard to the schemes of building and city development continued to function during the year under review. In May 1938 Mr. A. McIntosh, the Chamber's nominee and Chairman of the Joint Town Planning Committee, resigned his seat and Mr. J. B. Greaves was nominated to serve in his stead as nominee but Mr. A. S. Trollip was elected to the Chairmanship of the Committee.

The following are a few of the matters discussed by the Committee during the year :—

(1) The siting of Motor Vehicle Fuelling Stations
(2) Ribbon Development.
(3) Bombay Town Planning Act.
(4) Road Repairs and Road Openings.
(5) Siting of Advertisement Hoardings.
(6) Corner Development and Visibility.
(7) Road Widths.
(8) Siting of Traffic Signs.
(9) Bombay's Traffic Problem.
(10) Design of the Medial or Dividing Strip.
(11) Proposed 100 ft. road from Sion to Jukaria Bunder.
(12) Improvement of suburban street lighting.

## BACK BAY RECLAMATION SCHEME.

### MODIFICATION OF LAYOUT OF BLOCKS NOS. 1 AND 2.

(*See Report* 1936, *page* 148.)

In February 1938 the Chamber received from the Government of Bombay, Public Works Department, a copy of a Government Press Note No. 4340, dated 5th February, 1938, regarding the modification of the layout of blocks Nos. 1 and 2 of the Back Bay Reclamation Scheme. According to the Press Note Government considered it unnecessary to retain the overall widths of the two cross roads in question at 100 ft. and had accordingly reduced the overall widths from 100 feet to 50 feet.

The Committee advised Government that they strongly deprecated the decision of Government to reduce the road space of the two cross roads from 100 feet to 50 feet. They considered that in the layout of the Back Bay Reclamation Scheme provision should be made for service roads which would provide the necessary parking space for stationary vehicles of residents and tradesmen, and which would leave the more costly traffic roads free for moving traffic. By the time reasonable pavements had been taken out of the width of 50 feet these streets would become very little different from any of the narrow streets in Bombay which were already causing congestion.

The Committee of the Chamber understood that this question was brought up before the meeting of the Standing Advisory Committee of the Back Bay Reclamation Scheme held in August 1937 who recorded the opinion that the widths of the two roads should be retained as previously settled. It appeared now that Government had decided not to accept that Committee's advice and to reduce the width to 50 feet.

The Committee of the Chamber informed Government that they desired to record a protest against the decision taken which they regarded as highly regrettable. They

considered that the small amount of money which Government might gain by the sale of the land taken from the width of the two roads would be more than lost by the depreciation in the value of the area generally for high class building purposes.

In addition the Committee's opinion was that these two roads should not be less than 100 feet in width as they would be required to serve the purpose of a " lung " to the City when the Reclamation Area was fully built over. Moreover, it was necessary, they considered, to make provision against increased road traffic for the future.

## INTERNATIONAL TELECOMMUNICATIONS CONFERENCE, 1938.

(*See Reports* 1933, *page* 231 ; 1934, *page* 195 ; 1935, *page* 159 ; 1936, *page* 154 ; 1937, *page* 143.)

In the Chamber's Report for 1937 were recorded the Chamber's views on the first preliminary draft of the report which the International Chamber of Commerce proposed to present to the International Telecommunications Conference at Cairo in 1938.

In March 1938 the Associated Chambers published for the information of constituent Chambers the receipt of a cable from the British Commissioner, British National Committee, International Chamber of Commerce, London, which read as follows :—

" Cairo Telecommunications Conference plenary session Saturday voted *status quo* on cable rates thus justifying International Chamber policy."

Members will note that this Chamber supported the demand made by the International Chamber for the maintenance of the *status quo*.

It was proposed to hold the next World Postal Conference in Buenos Ayres in 1939.

## POSTS AND TELEGRAPHS SERVICES.

### PHONOGRAM CHARGES.

(*See Report* 1937, *page* 146.)

At the annual general meeting of the Associated Chambers of Commerce of India held in December 1937 the following resolution was carried unanimously :—

"This Association, while acknowledging the steps taken by Government to meet some of the defects in the Posts and Telegraphs Department mentioned in the resolution passed at the last annual meeting of the Association, is of opinion that this important service is still far from satisfactory and in particular that mutilations especially in the case of code telegrams and delays in transmission and delivery are far too common. This Association also urges the abolition of the phonogram charge of two annas or failing that its reduction to one anna."

The terms of the resolution and the report of the discussion which preceded its adoption were duly communicated to the Government of India for consideration.

In May 1938 the Government of India informed the Associated Chambers that they had appointed an officer on special duty at the beginning of the year to make a thorough examination of the telegraph service with reference to the complaint of delays and mutilations and his report was at the moment under the consideration of the Department. In the meanwhile action had been taken to impress upon all officials connected with the Telegraph Service the necessity for strict supervision and control in the matter of transmission and delivery of telegraph messages and various instructions were issued to ensure that the mechanical apparatus used was not responsible for unnecessary errors. The delivery staff had been strengthened and special attention was being devoted to the different points at which mutilation was likely to occur. Government added that the renting of special lines to a large news agency had taken away from the normal channels a great deal of press traffic which used to hold up ordinary traffic and this had enabled an acceleration of the ordinary telegraph service, and it was hoped that business houses

were already experiencing an improvement in the telegraph service as a result of the action taken so far. Government were also contemplating the provision of additional telegraph and telephone channels between important centres. Action had also been taken to deal with telegraph complaints with greater speed; but it was not always possible to arrive at a quick decision in the case of telegraph complaints, especially where such telegrams were addressed to or received from foreign administrations with whom protracted correspondence had frequently to be carried out. Government added that the question of reducing phonogram charges was at the moment under examination and the result would be communicated to the Associated Chambers of Commerce in due course. In conclusion Government assured the Associated Chambers that the importance of a speedy and accurate telegraph service was fully recognised by them and that they would do their utmost to remove all legitimate complaints and grievances.

Later in the month the Government of India again addressed the Associated Chambers and pointed out that after having carefully examined the question of the reduction in phonogram charges they had come to the conclusion that a substantial reduction in such charges could not be made without involving the Department in a loss and that there was not sufficient justification to reduce the charges at the moment. It had been found that on the existing charges the phonogram system was expanding satisfactorily. Government added, however, that they would be prepared to re-examine the question after a year or two with a view to see whether any reduction in the charges could possibly be made.

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## EMPIRE TELEGRAMS.

### Uniform Scale of Charges.

A uniform scale of charges for Empire foreign telegrams came into operation on the 25th April 1938. Previously foreign telegrams were charged according to distance which

varied from Rs. 2-9 to Canada, Rs. 2-4 to Australia Re. 1-15 to South Africa, Re. 1-3 to the Straits Settlements and Aden, and annas 14 to Great Britain. From the above date a uniform rate of 13 annas per word was charged for ordinary full rate telegrams sent to Empire countries. The rate for CDE telegrams was reduced to 8½ annas per word (subject to a minimum of five words), for deferred telegrams to 6½ annas per word, and D.L.T. to Rs. 7-0-6 for a minimum of 25 words, and 4½ annas for each extra word.

In addressing the representative in Bombay of Messrs. Cable and Wireless, Ltd., on the subject the Committee asked him to convey to the Chairman of the Company their very sincere appreciation of the great advance in telegraphic facilities offered by Messrs. Cable and Wireless, Ltd., and their Associated Companies by the introduction of the Empire Telegraphic Flat Rate. The Committee realised that by the introduction of this rate the Associated Cable and Wireless Companies were sacrificing a considerable revenue, but they expressed a hope that with India's widespread business interests throughout the Empire, the increase in inter-Empire traffic would bring full compensation.

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## BUSINESS REPLY TELEGRAMS.

In April 1938 the Deputy Director-General, Telegraphs, forwarded for the views of the Chamber a brief description of the new system of " Business Reply Telegrams " which was in use in England, and which system it was proposed to introduce in India, if it was so desired by large manufacturing and commercial bodies. The Director-General enquired whether a system of this kind would serve the requirements and interests of the business public by increasing sales of commodities, etc.

The Committee in reply stated that in so far as the business reply post card was an accepted facility they were

in favour of the extension of this principle to telegrams and considered that it would be of advantage to the commercial community.

## "BEARING" TELEPHONE CALLS.

In August 1938 the Principal Information Officer, Home Department, Government of India, asked for the opinion of the Chamber on a proposal for the introduction of "bearing" telephone calls. The suggestion was that a newspaper or business concern might authorise a particular person to make calls to them from a specified private telephone or from any public call office. The Posts and Telegraphs Department would allow the holder of the authority to make trunk calls to the named newspaper or business concern and the bill for such calls would be sent in due course to the newspaper or business concern receiving the calls.

The Committee informed the Principal Information Officer that they did not consider that, apart from the newspaper offices, business concerns would make sufficient use of the proposal to warrant its introduction.

## EMPIRE AIR MAIL SCHEME.

(*See Reports*, 1936, *page* 165 ; 1937, *page* 152.)

In February 1938 an enquiry was made of the Director-General of Posts and Telegraphs, New Delhi, as to whether bills of lading, invoices, policies of insurance and bills of exchange could be transmitted by second class mail and not by air mail. A reply was received to the effect that under the rules of the Universal Postal Union, documents representing a monetary value were prohibited from transmission as commercial or business papers. Bills of exchange and documents of the kind representing a monetary value could not consequently be sent as commercial papers.

In March 1938 suggestions were put forward by two of the constituent Chambers through the Associated Chambers of Commerce of India (*a*) to modify the present "All

up" air mail postage rates and (*b*) to bring in an amendment to the Universal Postal Union Rules so as to allow of documents representing a monetary value being sent as business papers.

The Committee informed the Associated Chambers of Commerce that they were not in favour of supporting these suggestions as in their opinion it was not unreasonable, in its early stages, to expect to pay at a slightly higher rate for the great advancement in communications of an air mail service with the frequency of 5 days a week.

Further, the Committee pointed out that for many years the Associated Chambers had pressed for the improvement of communications. They had been kept informed by Government of the progress towards the inauguration of this scheme and had the opportunity of putting forward their views as they had considered necessary.

India had undoubtedly received very generous treatment in the contribution she was asked to make to the Empire air mail scheme, and the Committee were of opinon that it would not be in accordance with the standing which the Associated Chambers held with the Government of India, if they made representations to Government to modify the Empire air mail scheme at the present juncture.

In again addressing the Associated Chambers in June 1938 on the subject the Committee pointed out that in a memorandum issued by the Postal Authorities in June 193 the following points were made :—

(*a*) Copies of letters posted not less than three days after the date of posting of the original letters may be sent by surface routes as business papers provided they comply with the usual rules applicable to business papers ;

(*b*) Bills of lading, invoices, insurance policies, share transfers and shipping documents may be sent by surface route at the business paper rate if they comply with the rules relating to the method of packing ;

(*c*) If it is desired to send the documents referred to in (*b*) above by closed cover and by surface route, they may be so despatched by parcel post ;

(*d*) Firms which have made a practice of sending such documents along with a letter may now send the letter by air and the documents by surface route; and

(*e*) Bills of exchange, bank notes, bonds, etc., representing a monetary value, although they cannot be sent as commercial papers, may be despatched by air as first class matter or by surface route as parcel post.

The Committee stated that the above alternatives adequately provided for either speed or safety and they thought that it was up to individuals and firms concerned to consider in their own circumstances whether the factor of speed or the factor of safety was the more important and to act accordingly. The most obvious case which had probably given rise to most of the trouble could be dealt with by sending a bill of exchange by air route with instructions to await shipping documents by surface route.

The Committee expressed their agreement with a suggestion that an alteration should be sought in the Universal Postal Union Rules so as to allow documents of monetary value to be sent by the surface route and that the matter might conveniently be put forward through the British National Committee of the International Chamber of Commerce for discussion at the Universal Postal Congress to be held at Buenos Ayres in April 1938.

The Associated Chambers subsequently stated that the replies received from constituent Chambers indicated that there was substantial support for the proposal that the question of securing an amendment to the Rules of the Universal Postal Union should be pursued and the President of the Associated Chambers accordingly brought this suggestion to the notice of the British National Committee of the International Chamber of Commerce.

The Chamber was informed later by the Associated Chambers that the G. P. O. in England were very conscious of the problem and the authorities were examining every alternative solution, but they had not yet come to any decision.

## AIR MAIL TIMINGS.

In April 1938 the Chamber received a complaint regarding the existing arrangement of deliveries of air mail from England. These air mails were delivered in Bombay on Wednesdays, Saturdays, Sundays and Mondays. As most commercial offices closed for the half day on Saturdays, under the existing Schedule there was an accumulation of three days air mail correspondence, viz., Saturday, Sunday and Monday, to be dealt with on Monday.

Under these arrangements there were in effect only two air mail deliveries per week, with a gap of five days between the Wednesday and Monday deliveries.

In addressing the Presidency Postmaster to the above effect the Committee stated that they realised that in certain parts of the Empire air mail route this inconvenience was likely to occur, but they felt that it was undesirable when there were four air mails per week to have three of them on succeeding days. The Committee suggested to the Presidency Postmaster that he might make such representations as he thought fit on this point with a view to arranging that the delivery times of air mails in Bombay might be more evenly spaced throughout the week.

The Postmaster-General, Bombay, replied to the effect that the inconvenience caused to the mercantile community of Bombay by the existing delivery arrangements was fully realised, but it was to be noted, however, that India was only one link in the chain of mail arrangements and as the "All up" scheme at the moment provided for four air mail services, some country was bound to receive the mails on days which were inconvenient to it. The Postmaster-General added that it was hoped that the inconvenience suffered by the Bombay merchants would disappear or materially lessen when the full air mail scheme for five services a week came into operation probably in August 1938. The inconvenience of delivery dates was, however, being brought by the Director-General to the notice of the British Post Office,

who fixed the air mail time-table and a request was being made to see if the timings could be altered to suit Indian requirements.

## DELAYS IN THE DESPATCH OF AIR MAIL BAGS.

In June 1938 the Committee enquired of the Presidency Postmaster as to what was the method adopted by the postal authorities at collecting points, such as Karachi, in allotting incoming mail bags for despatch by air. The reason for raising this question was that it had been reported to the Committee that mails posted on four or five different days had been received together, several days late, by one air mail delivery.

The Presidency Postmaster, after referring the matter to the Postmaster, Karachi, replied to the effect that since the introduction of the Empire air mail scheme, there had been only eight occasions when the mails were left behind at Karachi, as the planes could not carry all the mails, and the bags left behind which averaged two per mail, were despatched to Bombay either by the following air mail departure from Karachi or by rail. In the former case the delay in receipt in Bombay caused a loss of an extra day, while those despatched by rail, a loss of nearly three days. The number of times such mails were despatched by rail were on three occasions only, while the rest of the occasions the delayed bags were despatched from Karachi by the following day's air mail despatch.

As regards the outward air mails, it was pointed out that there had been no occasion since the introduction of the "All up" scheme, when any mails were held up at Karachi for want of accommodation on the West-bound planes.

## FRANKING MACHINES.

During the year 1937, at the request of a member, the Chamber took up with the postal authorities the question of the restrictions imposed on the use of cut out strips with

stamp impressions from franking machines. After considerable correspondence the postal authorities decided that the use of such cut out strips could not be sanctioned but that the rules did not forbid the use of addressed labels which had passed through machines and the pasting of such addressed labels on parcels and packets.

## CONTROL OF COASTAL TRAFFIC IN INDIA.

(*See Reports*, 1927, *Vol. I*, *page* 167 ; 1928, *Vol. I*, *page* 202, 1929, *Vol. I*, *pages* 74 *and* 75 ; 1930, *Vol. I*, *page* 57 ; 1936, *page* 181.)

It was recorded in the Chamber's Report for 1936 that a private Bill had been introduced in the Council of State on the 17th April 1936 to control the coastal traffic of India and to encourage the development of an Indian Mercantile Marine. In addressing the Associated Chambers of Commerce of India in regard to the Bill the Committee stated that they were strongly opposed to it as in their opinion it was vicious in principle.

The Government of India decided to circulate the Bill for the purpose of eliciting public opinion thereon and the Government of Bombay in November 1936 requested the views of the Chamber. The Committee advised Government that they were opposed to the Bill as being economically unsound.

In September 1937 the Bill was referred to a Select Committee and in March 1938 the European Group, Indian Central Legislature, forwarded for the opinion of the Chamber a copy of the Report of the Select Committee. The Committee submitted their views to the European Group in terms similar to those already expressed.

In May 1938 the Government of Bombay also forwarded for the views of the Chamber the Report of the Select Committee on the Bill. After reference to a special Sub-Committee, the Committee in addressing

the Government of Bombay stated that the primary object of the Bill as set out in the Statement of Objects and Reasons and also of the Bill as it emerged from the Select Committee was to control unfair competition in coastal traffic in order to encourage the development of an Indian mercantile marine. To arrive at this end it was proposed to initiate a system of registration under which all shipping companies which carried cargo or passengers between any two Indian ports and in addition between India and ports of Burma and Ceylon would have to obtain a certificate of registration. The Bill empowered the Central Government to control rate-cutting and rebates in any form by imposing minimum rates. The Bill further empowered a Court to consider and pass judgment on shipping companies who were believed to have contravened the regulations laid down by the Central Government. The Court had power to inflict a fine which might extend to Rs. 10,000 and to refer the case to the Central Government for consideration of the cancellation of the certificate of registration.

The Committee pointed out that they had already expressed their views in their letter, dated 14th December 1936, and reiterated their opinion that the Bill, both as regards its premises and its provisions, was economically unsound. No attempt was made to define the words "unfair competition" and the very nature of this competition was incapable of definition. If, however, by unfair competition was meant rate-cutting, it should be borne in mind that the reduction of freight rates was frequently necessary to meet the demands and requirements of the individual trade and might be governed by extraneous circumstances, primarily those of supply and demand. The abandonment of the competitive system would discourage the spirit of initiative and the proposal to fix minimum rates of fare and freight by law would remove equally from all shipping companies the means of competing with potential new companies, which might be formed if the Bill became law, in order to force their

way into the coastal trade of India. The companies that at the moment held this trade, both Indian and non-Indian, had obtained it by dint of industry and foresight, and the Committee regarded it as manifestly unfair to prevent these companies by law from utilising the only weapons of defence which they possessed, those of reducing rates or granting rebates.

The regulations regarding the prevention of rate-cutting as set out in the Bill were in the Committee's view impractical in operation because of the impossibility of controlling secret concessions or secret rebates, proof of which it was quite impossible to obtain, as the forms that the secret concessions or secret rebates could assume might be many and varied. Furthermore, the proviso to clause 4 of the Bill excluded sailing ships of less than 250 tons from necessity of registration. This class of shipping would therefore not be bound by a minimum rate of freight that they might charge and would thus be in a position to offer unfair competition with the registered services. Should it be possible to maintain a minimum rate, it might enable new companies to start and endeavour to take a share of the existing trade, but under the assumption that existing services were at present adequate, a dilution of the available trade would take place which would inevitably react to the detriment of all concerned but more specifically to the newly formed shipping companies.

The Bill, as redrafted, had introduced a further totally unacceptable factor, namely, the extension of the scope of the term "ports in Ceylon and Burma" which was not only too wide but beyond the competence of the Indian Legislature.

The Bill, if it became law, would create an uneconomic situation and would interfere with the present smooth working of the coastal trade which would react not only against the shipping companies but also against merchants, besides being in practice entirely unworkable.

Without competition business could not thrive and the Committee stated that they could see no legitimate reason why the shipping industry or any other industry should come under the control of Government to such an extent as to prevent existing companies from taking all reasonable means in their power to protect the business that they had built up.

## INTERNATIONAL CONVENTION FOR THE SAFETY OF LIFE AT SEA.

(*See Reports* 1913, *pages* 81, 581 ; 1914, *pages* 70, 551 ; 1922, *Vol. I, page* 119 ; 1924, *Vol. I, page* 264 ; 1925, *Vol. I, page* 206 ; 1926, *Vol. I, page* 239 ; 1930, *Vol. I, page* 176.)

In April 1938, the Government of India, Department of Commerce, asked for the views of the Chamber on a proposal by the Norwegian Government to alter Articles 26 and 27 of the International Convention for the Safety of Life at Sea, 1929, so as to make the compulsory installation of radio-telegraph, applicable to ships of 1,000 tons gross and over instead of 1,600 tons gross and over.

After referring the proposed amendments to the Shipping and Export Sub-Committee, the Committee informed the Government of India that in so far as this question was examined by the Government of India in 1934 and as a result of which notifications were issued under Article 28, making certain exemptions in order to suit the coastal trade of India, the Committee were of opinion that there appeared to be no sound reason why the Norwegian Government amendment of Article 27 should be opposed. They emphasised, however, the necessity that there should be no amendment to Article 28 and that the Government of India should continue to use that Article as a means of exemption for the coastal trade of India.

## LIGHT DUES.

In May 1938 the following Notification No. 325-M-II (3)/37, dated 30th April 1938, was issued by the Government of India, Department of Commerce, announcing a reduction in the rate of light dues :—

"In exercise of the powers conferred by sub-section (1) of section 10 of the Indian Lighthouse Act, 1927 (XVII of 1927), and in supersession of the Notification of the Government of India in the Department of Commerce, No. 25-P. and L. (10)/32 dated the 27th May 1933, the Central Government is pleased to prescribe that light dues shall be payable at the rate specified below, namely :—

| | | |
|---|---|---|
| (*a*) | All ships, other than sailing ships, arriving at, or departing from, any port in British India .. .. | One anna and one pie per ton. |
| (*b*) | Sailing ships .. .. .. | Half the rate in (*a*) above." |

In July 1938 the Committee considered a letter that had been addressed by the Government of India, Department of Commerce, to the Chamber's representative on the Central Advisory Committee for Lighthouses on the question of the abolition of the Additions and Replacements Reserve Fund. The question was raised whether it was necessary to maintain in future a separate Additions and Replacements Reserve Fund for the General Lighthouses and Lightships Department in addition to the Depreciation Fund and the General Reserve Fund. The Fund was originally created to make up the difference between the present-day value of the fixed assets and the cost of replacement at the end of their lives. In actual practice, however, it had not been found feasible to adhere to this principle and the Fund was being utilised to finance expenditure on the construction and reconstruction of fixed assets except the cost of any substantial and identifiable additions or betterments. In view of the fact that there were adequate balances in the Depreciation and the General Reserve Funds of the Lighthouse Department to meet capital expenditure pertaining to that Department, the Government of India were of the opinion that the existence of a separate Additions and Replacements Reserve Fund was

no longer necessary. If the above proposal was given effect to, it would result in an annual saving of about a lakh of rupees in the revenue expenditure of the Lighthouse Department, and in view of this, the Government of India considered that a further reduction in the rates of light dues was justified. They accordingly proposed that the present rate of one anna and one pie per ton levied in respect of all ships, other than sailing ships, be reduced to one anna per ton, and that the rate in respect of sailing ships might, as at present, be half of the rate charged for other ships, i.e., the consequential reduction in their case would be half a pie per ton.

The Committee informed the Government of India that they were in full agreement with Government's proposals both as regards accountancy and the reduction in light dues.

## FREIGHT RATES ON RAW COTTON.

In May 1938 the Government of India forwarded for the opinion of the Chamber a copy of a letter of protest that had been received from the East India Cotton Association on the question of the freight rates on raw cotton from Bombay and Karachi to the United Kingdom and Continental ports.

Previously the Chamber's attention had been drawn to the same matter by two of its members when it was pointed out that the freight rate on raw cotton for shipment to the United Kingdom and Continental ports was about 37½-40*s.* per ton of 40 c.ft., while the rate of seeds was at 20*s.* per ton of 16 cwt. As cotton and seeds occupied about the same amount of space in the steamer, the members saw no justification for this difference in freight rate. Further up to 1934 both raw cotton and oil seeds were charged at the same rates of freight.

The Chamber was subsequently furnished with a copy of a letter that had been addressed by the shipping companies to various cotton shippers in reply to their protest,

in which it was stated that the freights on raw cotton shipments had been reduced.

The Committee advised the Government of India and the two members of the Chamber that as a reduction in the freight rates on raw cotton had recently been made, the position dealt with in the correspondence had therefore been met.

## SICKNESS INSURANCE OF INDIAN SEAMEN.

In July 1938 the Shipping Master, Bombay, asked for the views of the Chamber, on the subject of Sickness Insurance for Indian Seamen.

"Sickness Insurance of Seamen" was one of the items placed on the agenda of the 21st (Maritime) Session of the International Labour Conference. That session adopted a Draft Convention on the subject. The Labour Commission's recommendations on the subject had since been examined by the Government of India in consultation with the interests concerned, and it had been decided that the starting of a sickness insurance scheme covering all classes of workers was not practicable for the time being.

The Draft Convention adopted by the 21st Session of the Labour Conference was designed to introduce a system of compulsory insurance for seamen wide in scope and providing for cash benefits as well as benefits in kind, to which both the insured persons and their employers would be required to contribute. After examination of the provisions of the Convention the Government of India were of the opinion that the institution of a compulsory system of sickness insurance in India for the benefit of all seamen covered by the convention and the grant of cash and other benefits contemplated therein could not be undertaken except as part of a comprehensive system covering all classes of labourers. It was further thought that in view of the peculiar fact that most Indian seamen were part-time agriculturists and also in view of the prevailing illiteracy

and unemployment among the seamen, the establishment of a compulsory system of insurance based on the provisions of the convention was not feasible at present, and that accordingly the convention could not be ratified.

The Government of India were however in full sympathy with the principles underlying the convention and were desirous that the possibility of introducing some system of sickness insurance should be explored possibly for a particular class of seamen at special centres. The Government of India believed that it might be possible to provide at the principal ports like Bombay and Calcutta certain amenities through the institution of a small scheme of insurance offering limited benefits. The co-operation of the shipping companies, from whom it might be necessary to levy contributions either in the form of periodical subscriptions or as a fixed fee at the time of discharge of the seamen, would be essential in any such scheme.

The Committee informed the Shipping Master that until the Government of India were in a position to indicate the system of sickness insurance which they had in mind "for a particular class of seamen at special centres" they did not find it possible to explore the possibilities of introducing such a system. It was not clear whether the Government of India proposed to apply the insurance scheme to steamers of non-Indian registration, to steamers of Indian registration or to sailing craft or to all of these, nor was any reason given why shipping should be singled out as a suitable industry for experiment. The Committee therefore did not feel in a position to comment on Government's proposals before receiving further details of the ideas that Government had in mind.

## HOURS OF WORK ON BOARD SHIP.

(*See Reports* 1927, *Vol. I*, *page* 168 ; 1929, *Vol. I*, page 79 ; 1930, *Vol. I*, *page* 192.)

In December 1937 the Shipping Master, Bombay, requested the views of the Chamber in regard to a Draft

Convention concerning the question of "Hours of work on board ship and manning," which was adopted by the 21st (Maritime) Session of the International Labour Conference held at Geneva in October 1936.

After referring the matter to the Shipping and Export Sub-Committee the Committee advised the Shipping Master that they saw no objections to the proposals.

Copies of the Draft Convention and of the Agreement by the National Maritime Board on hours of work on vessels in the United Kingdom were placed at the disposal of members interested.

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## BOMBAY PORT TRUST RAILWAY.

### Payment of Freight and other Charges.

Formerly freight and other charges were recovered by the Port Trust Railway either in cash or, in the case of firms and others on the Port Trust list of approved cheque drawers, by cheques which need not have been guaranteed by the Banks on which they were drawn. Facilities also existed for merchants to open deposit accounts with the Railway but it was not obligatory on a cheque drawer to keep a deposit account.

In October 1938 the Chamber was advised that the Trustees had adopted the following revised procedure :—

1. Cheques would continue to be accepted from firms and individuals on the approved list. The list would be reviewed annually and a limit to the amount of payments by cheque of each party fixed ;

2. The drawer of a cheque which was not realised on presentation would be immediately struck off the approved list.

3. Cheques for railway dues would only be accepted from consignees and endorsed consignees on the approved list, and not from carting, clearing and delivery agents or contractors ; (consignees or endorsed consignees who handed over railway receipts to carting, clearing or delivery agents would be required to specify to this effect on the railway receipts) ;

4. During the Easter, Divali and Christmas holidays, railway dues would only be accepted in cash or by guaranteed cheque.

## BOMBAY PORT TRUST DOCKS WHARFAGE CHARGES.

In May 1938 the Bombay Millowners' Association asked for the support of the Chamber to a representation that had been submitted by that Association to the Port Trust Authorities in connection with the dock and wharfage charges levied by the Port Trust on Egyptian cotton imported into the port of Bombay.

In their representation the Millowners' Association stated that it was understood that wharfage was levied at 3 annas per bale on African cotton bales and at 12 annas per bale on Egyptian cotton bales, and that in addition, a surcharge of 8 pies in the rupee of the wharfage was also levied by the Port Trust. Egyptian bales averaged about 700 lbs. in weight as against an average of about 400 lbs. in the case of East African, but this disparity in weight did not, in their opinion, justify the disproportionately heavy charges at present levied on Egyptian bales.

The Millowners' Association added that it had been suggested that the difference in the wharfage charges as between African and Egyptian cotton was due to African bales being landed on the Bunders and Egyptian bales being landed in the Docks, but this difference in the mode of landing could scarcely explain the very wide gap which existed in the respective wharfage charges for these two types of cotton.

In reply the Committee informed the Millowners' Association that East African cotton was usually brought to Bombay by the B. I. S. N. Co.'s steamers which invariably discharged their cargo in the stream and this cotton had to bear the additional cost of lighterage and other transport from the ship in the stream to the bunders, whilst Egyptian cotton was brought by the Anchor, City and P. & O. Lines, which discharged their cargo direct on the docks. The Port Trust did not determine whether a vessel was to discharge its cargo at the docks or bunders and in fact acted only on

instructions from the steamship agents concerned. The Committee added that the modern facilities available at the docks were naturally more expensive than the existing antiquated arrangements at the bunders and the Port Trust had informed the Chamber that it was not feasible to reduce the wharfage charges of the former to the level of the latter. The remedy would appear to be in the hands of importers of Egyptian cotton and the steamship companies used by them

## CITY OF BOMBAY MUNICIPAL ACT, 1888.

### Proposed Amendment.

In January 1938 a Bill was published in the *Bombay Government Gazette* which was intended to make various amendments in the several sections of the City of Bombay Municipal Act, 1888, which had been found expedient by the Corporation from the past experience of the working of the Act. The more important of them were designed (1) to give power to take measures for the eradication of malaria as a result of the recommendations of Major G. Covell, who was ordered by Government in 1928 to hold an enquiry into malarial conditions of the City, (2) to rectify certain defects in connection with the water supply which stood urgently in need of removal in order to carry out effectively anti-malarial measures, (3) to give power to the Corporation to issue revised debentures in any case and (4) to extend the powers of the Standing Committee and the Municipal Commissioner in the matter of reappropriation of budget grants.

In drawing the attention of the Chamber to the Bill the European Group, Bombay Provincial Legislature, inquired whether the Chamber approved of the amendments proposed in sections 4 (*e*) and 6 which read as follows :

(4) In section 17 of the said Act, after clause (*c*), the word "or" and the following new clauses shall be inserted, namely :—

* * * * *

"(*e*) being elected by a chamber or association mentioned in sub-section (1) of section 5, ceases to be a member of such chamber or association or to be a person entitled to exercise the rights and privileges

of membership on behalf and in the name of any firm, company or corporation registered as a member of such chamber or association, as the case may be."

(6) For sub-section (1) of section 31 of the said Act, the following shall be substituted, namely:—

"(1) An election of a councillor by a chamber or association mentioned in sub-section (1) of section 5 shall be made by the members for the time being of the said chamber or association, as the case may be, subject to the provisions of section 15, in accordance with the rules made by the said chamber or association in this behalf."

The Committee advised the European Group that they saw no objections to either of the two amendments.

Up to the time of writing this report the Bill had not, however, been introduced in the Bombay Legislative Assembly.

## BOMBAY MUNICIPAL CORPORATION.

### Proposed widening of Franchise.

In January 1938 the Chamber's representative on the Municipal Corporation forwarded to the Chamber the proceedings of a meeting of the Corporation held on Monday, 24th January 1938, when the Provincial Government's Draft Bill to amend the City of Bombay Municipal Act, 1888, for widening franchise and revising the constitution of the Corporation and its committees was discussed. The proposal for adult franchise was not adopted by the Municipality and an amendment to abolish various nominations, including the representation of the Chamber, was lost when put to the vote.

## ASSESSMENT OF PROPERTIES TO MUNICIPAL TAXES IN BOMBAY.

### Proposed Rating Tribunal.

In April 1938 the Government of Bombay asked for the views of the Chamber on a draft Bill for the amendment of the City of Bombay Municipal Act, 1888, and the City of Bombay Municipal (Supplementary) Act, 1888

which had for its object the provision of an appeal to the High Court in, and to introduce certain provisions in connection with, the proceedings relating to the assessment of properties to municipal taxes in the City of Bombay.

The Committee informed the Government of Bombay that they regarded the terms of the Bill as reasonable, and had no objections to offer.

Up to the time of writing this report the Bill had not been introduced in the Bombay Legislative Assembly.

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## TOWN DUTY LEVIABLE BY THE BOMBAY MUNICIPALITY.

### Proposed extension of the List of Commodities.

(*See Reports*, 1936, *page* 192 ; 1937, *page* 181.)

It was recorded in the Chamber's Report for 1937 that the Committee, in addressing the Government of Bombay in regard to the proposals of the Bombay Municipal Corporation for the amendment of Schedule H of the City of Bombay Municipal Act by the inclusion therein of certain additional articles on which Town Duty should be levied, expressed an earnest hope that Government would not accord their sanction to the proposals.

In August 1938 the Chamber's representative on the Municipal Corporation drew the Committee's attention to a further proposal that had been placed before the Municipal Corporation to levy a town duty of one anna per lb. on certain specified tinned provisions.

The Committee again addressed the Government of Bombay, in the matter and drew attention to the Chamber's letter of December 1937 wherein strong objection was raised to town duties as a basis of taxation at all. The prosperity of Bombay largely depended on its entrepôt trade and in the Committee's opinion not only were town duties a restriction on such trade but they were a form of taxation which should not properly come within the scope of the Municipality at all.

The Committee added that it was not necessary to set out again the various arguments contained in the Chamber's previous letter to Government, but they reiterated that they regarded the proposed additional town duties with considerable apprehension. It was the Committee's considered opinion that the taxation of commodities such as was proposed by the Municipality was inequitable and would militate against the prosperity of Bombay. The Committee considered that such increase of revenue as was required by the Municipality should be raised by an increase of the level of the general tax which was the most equitable form of Municipal taxation in so far as it fell on property to which all citizens, both landlords and tenants, contributed in varying degrees.

## SOCIAL LEGISLATION.

### Policy of the Government of Bombay.

A deputation from the Chamber consisting of the President Mr. G. H. Cooke, the Vice-President, Mr. A. McIntosh, and Mr. F. Stones, o.b.e. Member of the Committee, met the Prime Minister, the Hon'ble Mr. B. G. Kher, on the 28th January 1938 and had a general discussion with him on the Government's policy for a scheme of social legislation and on labour legislation generally.

## PROHIBITION.

One of the items on the programme of the Congress Government's policy was the prohibition of the sale of alcoholic liquor for human consumption. In pursuance of this policy the Government of Bombay as an experimental measure declared certain areas in the Ahmednagar, Kanara, Broach and Panch Mahal Districts to be dry areas within which the sales by retail to the public of country liquor, toddy and foreign liquor, including spirits, wines and beer, were prohibited with effect from 1st April 1938. Ahmedabad City, Cantonment and the suburbs comprising

72 villages were made into a "dry" area with effect from midnight of 20th-21st July 1938 when all licenses for the retail sale of country liquor, toddy and foreign liquor in that area were cancelled and no country spirit shops, toddy shops or booths, or foreign liquor "off" or "on" shops were permitted, and hotels and refreshment rooms were not allowed to sell liquor. No licences were given for the sale of opium and hemp drugs (i.e., *bhang, ganja* and *charas*) and restrictions were placed on the sale of medicated wines and spirits, medicinal tinctures, rectified spirit and denatured spirit. Temporary exceptions were made in the case of persons accustomed to the use of liquor or drugs.

## PROHIBITION.

### Mill Pay Days.

In July 1938 the Chamber's attention was drawn by two of its members to a circular letter that had been issued by the Commissioner of Labour in connection with the fixation of pay days by mill employers for liquor restriction measures in pursuance of Government's policy of prohibition.

One of the measures which Government proposed to adopt in connection with the enforcement of its policy of prohibition was the closing of liquor shops in Bombay City for two days every month, those days being the principal pay day and the day after.

The Payment of Wages Act provided that factories employing 1,000 or more workers had to pay wages not later than ten days and factories employing less than 1,000 workers not later than seven days after the expiry of the wage period. As the pay period was almost invariably a calendar month, there were two days in the month on which the vast majority of industrial workers received their pay, the 7th and the 10th. Most of the mills employed 1,000 or more workers and so did the railway workshops, so that the pay day common to by far the largest number of workers was the 10th. There were, however, hundreds

of small factories and industrial establishments employing in the aggregate many thousands of workers whose pay day was the 7th and it was desired to alter that day to the 10th. This could be done by altering the pay period from the calendar month to the 4th of one month to the 3rd of the other, so that the period of seven days after the end of the wage period would fall on the 10th. The result would be that the vast majority of mill hands and other factory workers would receive their pay on the 10th of the month but would not be able to dissipate it in drink because all the liquor shops would be closed on that day and the following day.

While the members were prepared to comply with the Labour Commissioner's request they drew attention to the very considerable inconvenience they would be put to by the short notice given and the fact that all their Accounts and Books were made up on the basis of a calendar month.

After considering this question the Committee informed the Commissioner of Labour that they felt that Government did not sufficiently appreciate the factors involved in complying with such a request and the difficulties arising from the unreasonably short notice that had been given. The wage period which was common to mercantile practice was that of a calendar month. To vary this by the adoption of a purely arbitrary period would, in the opinion of the Committee, have at least two undesirable consequences :—

(*a*) misunderstanding and possible misrepresentation in regard to the real basic period of employment.

(*b*) a serious, if not insurmountable, difficulty in regard to the important matter of cost accounting. These difficulties would be accentuated in the case of companies controlling a number of different factories throughout India.

The Committee therefore considered that Government had insufficient justification to make this demand, and if it was regarded as essential that the pay day for all labour

should be on the 10th of the month, they recommended that Government should take the logical course of changing the Statute Law whereby at present employers of labour of less than a thousand workmen were liable to pay wages by the 7th of each month.

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## BILL TO AMEND THE BOMBAY ABKARI ACT, 1878.

In November 1938 a Bill to amend the Bombay Abkari Act of 1878 was published in the *Bombay Government Gazette*. In the statement of objects and reasons appended to the Bill it was mentioned that in order to make the experiment of prohibition in any area in which it was introduced a success it was necessary to control the bringing of intoxicants into such areas. It was also necessary that the authorities should have adequate powers of search to cope with the evil of smuggling. The Bombay Abkari Act of 1878 gave no power to stop vehicles, etc., for search or to make a general examination as was conferred on Customs Officers under the Sea Customs Act, 1878. Provision was therefore made in the Bill on the lines of that Act. It was proposed to prohibit the printing or publishing in any newspaper, book, leaflet, booklet or any other single or periodical publication or otherwise display or distribute any advertisement or other matter commending, soliciting the use of, or offering any intoxicant. It was proposed further to give power to the Provincial Government to prohibit within the Province of Bombay the circulation, distribution or sale of any newspaper, etc., printed and published outside the Province which contained any advertisement or matter commending, soliciting the use of, or offering any intoxicant.

The Committee informed the European Group, Bombay Provincial Legislature, that they considered that the second half of the Bill dealing with the prohibition of alcohol advertisements should be strongly opposed.

## PREVENTION OF STRIKES AND LOCKOUTS.

In February 1938 the Commissioner of Labour asked for the views of the Chamber on a draft Bill to aid in the prevention of strikes and lockouts and to promote amicable settlement of trade disputes in factories and other industrial establishments.

After referring the draft Bill to a special Sub-Committee the Committee advised the Commissioner of Labour that they welcomed many of the proposals contained in the draft Bill, and appreciated that there had been included therein various suggestions previously made by the Chamber for the prevention of lightning strikes and lockouts, for the prevention of stoppage of work during conciliation proceedings and the recognition of trades unions organised on genuine lines.

The Committee noticed that the draft Bill was not provided with a statement of objects and reasons such as was given in the normal course when a draft Bill was circulated for opinion; they, therefore, assumed that a further opportunity would be given for criticism after the Bill was amended and re-drafted by the Legal Department of Government.

The various clauses of the draft Bill were examined fully by the Committee who submitted their recommendations and comments to the Commissioner of Labour.

In the *Bombay Government Gazette* of the 30th July 1938 a Bill was published to make provision for the promotion of peaceful and amicable settlement of industrial disputes by conciliation and arbitration and for certain other purposes.

This Bill differed materially both in form and subject matter from the draft Bill circulated by the Labour Office in March 1938. As the result of criticisms of the original draft Bill and a more thorough and detailed examination of the problem many changes had been made. The basic

idea of the Bill was to ensure that the redress of the grievances of industrial workers should be taken in hand without delay and for this purpose it was provided that no employer could make any alteration in the conditions of service, wages, etc., of his employees without giving them due notice and at the same time informing the Government authorities who would function under the Act, the Labour Officer, the Conciliator and in some cases the Registrar as well as registered unions or other representatives of the workers. Negotiations with regard to the acceptance or the refusal of the proposed change would then take place and if agreements were reached they would be properly drawn up and registered with the Registrar. Only if the parties failed to reach an agreement was a trade dispute considered to have occurred and the Official Conciliator would then step in and endeavour to bring about a settlement of the dispute. If he failed, or if Government otherwise ordered, a Board of Conciliation might be appointed. In the same way, employees who had grievances which they wished redressed or alterations in wages and conditions of service which they desired to be made, would similarly be required to notify the appropriate authorities as well as their employers. During the negotiations and conciliation proceedings it would be illegal for an employer to cause a lockout or for the workers to go on strike, because one of the underlying ideas of the Bill was to prevent lightning strikes which, as long experience had shown, rarely brought any benefit to the workers but on the contrary entailed an entirely unnecessary loss of wages.

It was contended that one of the most fruitful causes of strikes was the absence of any set of rules or regulations dealing with the day to day discipline and working of a factory. The Bombay Millowners' Association had standing orders and so had public utility services and the Bill provided that every employer must draw up standing orders regulating relations between him and his employees with regard to a number of industrial matters that were set out in the first schedule to the Bill. These standing orders had to be

approved by the Commissioner of Labour and registered with the Registrar and thereafter they continued to be in force for twelve months and were binding upon the employer and the workers in the factory. From the Commissioner of Labour an appeal lay to a Court of Industrial Arbitration. This Industrial Court was a distinctive feature of the new Bill and it was hoped that in the course of time it would play a very important part in the industrial life of the Province. The Bill provided for use of the Industrial Court as a voluntary Court of Arbitration to which an industrial dispute could be referred by the parties for a final and binding decision. It was proposed that the Court would consist of two or more members, one of whom should be its President, and the President should be a person who was or had been a judge of a High Court or was eligible for being appointed a judge of such Court. In addition to its functions as a Court of Arbitration the Industrial Court would be the appellate and deciding authority to decide appeals from the Orders of the Registrar, as regards the registration of unions under the Act or cancellation of unions and also as regards references by a Registrar or by an Arbitrator for a decision on a question of law. The Court would also decide whether a strike or lockout or a proposed change was illegal and it would also interpret awards given by it under arbitration proceedings.

It would also be open to employers and employees to agree to submit all disputes between them to arbitration either by the Industrial Court or by an agreed arbitrator. In such cases the conciliation machinery of the Act would not apply, but the arbitrator's awards would be registered.

It was considered that the duties of the Registrar were important because he would have to decide whether unions were entitled to be registered, the basis upon which registration was obtainable being based upon membership relative to the number employed in the industry or recognition by an employer. The whole Province would be divided into areas and in each area there would be only one registered

union in respect of any industry or occupation in that area. The Bill also provided for qualified unions where there were no registered unions. Here, as in the case of registered unions, qualification depended upon the union having a membership which bore a prescribed percentage to the number of workers engaged in the industry or occupation in a local area.

The Bill was referred to the same Sub-Committee who examined the original draft Bill and in addressing the Commissioner of Labour on the lines of the Report of the Sub-Committee the Committee stated that they welcomed the Bill in its main provisions but suggested certain amendments some of which were only of a minor nature. The following is a summary of the more important comments of the Committee on the Bill :

Clauses 1 and 2 empowered Government to apply the Act or any part of it, to any area or any industry by notification. The Committee presumed that Government's intention at the moment was to apply the Act gradually as they were able to build up the necessary administrative machinery to control its application. In the meantime the Bombay Trade Disputes Conciliation Act, 1934, would hold good in industries not specified.

The Committee noted that in clause 3(10) the term "employee" included clerical staff and therefore the terms of the Bill became applicable not only to labour but also to clerical workers.

The Committee considered that the inclusion of clerical with operative staff in the definition of employee was an undesirable feature of the Bill, since the presence of clerical employees in Unions of operatives might tend to divert the control of such Unions from the operative to the clerical element and so retard the true trade union movement which the Bill aimed at encouraging. They considered it would be most undesirable from the point of view of employees who desired to promote and foster the trade

union movement for any of the clerical staff to be able to obtain the control of a trade union of, say, operatives merely because of the clerks' better educational qualifications. The Committee recommended therefore that "clerical work" should be eliminated from this definition, but they had no objection to raise to unions comprised entirely of clerical workers being accorded similar rights and privileges to those of other employees under the Bill.

In clause 3(14) (*d*) it was stated that the definition of "industrial matter" included "all question of what is fair and right in relation to any industrial matter having regard to the interests of the person immediately concerned and of society as a whole." The Committee recommended that the words "and of society as a whole" should be eliminated, and after the word "person" "or persons" be added.

It was not clear whether in accordance with clause 8 (*a*) one union could be registered in any local area for both an industry or occupation, or whether one union each could be registered.

It was stated in clause 60 that no order passed by the Industrial Court should be called in question in any Civil or Criminal Court. The Committee were in doubt as to whether an appeal on points of law alone should not be permitted to the High Court.

Clause 77 dealt with the period for which an agreement might remain in force, and the Committee recommended that a sub-clause should be added to permit a registered agreement, settlement, or award being changed by a further agreement between the parties or by mutual consent.

The Committee were prepared to accept the various items in Schedule II of which notification of change must be made by the employer with the exception of—

Item No. 7.—Withdrawal of any customary concession or privilege or change in usage.

Item No. 8.—Introduction of new rules of discipline or alteration of existing rules and their interpretation.

They considered that in both cases the wording was too wide and might be the cause of injustice to the employer ; so many cases which might arise would be on the border line and in the opinion of the Committee such cases should not be subject to penal action. Since the employee's rights were covered by his ability to apply for conciliation proceedings on any industrial subject under clause 28(2), the Committee recommended that these two items should be deleted.

The Bill was submitted to a very detailed and protracted scrutiny in the Legislative Assembly and the motion for the Third Reading was finally passed on the 4th November 1938 by 58 votes for and 25 against. The Bill with some small amendment was passed by the Legislative Council on the 15th November 1938.

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## TRADE DISPUTES (AMENDMENT) BILL.

(*See Reports*, 1921, *Vol. I*, *page* 67 ; 1924, *Vol. I*, *page* 97 ; 1925, *Vol. I*, *page* 101 ; 1926, *Vol. I*, *page* 65 ; 1928, *Vol. I*, *page* 104 ; 1929, *Vol. I*, page 90 ; 1932, *page* 254 ; 1933, *page* 286 ; 1934, *page* 243 ; 1936, *page* 208 ; 1937, *page* 198.)

The views of the Chamber on the Trade Disputes (Amendment) Bill were recorded in the Report for 1937. The Bill was referred to a Select Committee whose report was presented to the Legislative Assembly on the 10th March 1938. There were several minutes of dissent, and certain amendments in addition to those made by the Select Committee were adopted by the Legislative Assembly.

Since the Bill as amended received the support of the European Group at the Centre, the Committee of the Chamber decided to take no further action and the Bill was finally passed by both Houses and received the assent of the Governor-General on the 9th April 1938 (Act XVII of 1938).

## PAYMENT OF WAGES ACT.

### INCORPORATION INTO WAGES OF BONUSES FOR GOOD ATTENDANCE, ETC.

Towards the end of 1937 and early in 1938 letters were received from various member firms drawing attention to the following Circular No. P.W./6435, dated 26th November 1937 that had been issued by the Chief Inspector of Factories, Bombay Presidency, the effect of which was to incorporate into wages any bonus that might be offered by the employer for good attendance, good work, good production or matters of that kind.

The attention of owners of factories and other industrial establishments affected by the Payment of Wages Act is drawn to the definition of 'wages' in the Act. The effect of that definition is to incorporate into wages any bonus that may be offered by the employer for good attendance, good work, good production, or matters of that kind. Moreover, this bonus becomes payable whether or not the conditions governing the earning of the bonus are fulfilled or not. For example, if an employer offers a good attendance bonus of Rs. 2 to every worker who puts in 24 out of 26 working days, he cannot confine the giving of that Rs. 2 to those workers who put in regular attendance. If there are 26 working days in a month and the wages of workers in a particular department are Rs. 24 a month, then if a bonus of Rs. 2 is offered for good attendance, the wages of all the men in that department automatically become Rs. 26. The actual amount payable will, of course, depend upon the number of days put in by each worker. A man who works the full month gets Rs. 26 : the man who worked only 20 days would get 20/26ths, and so on. The same position arises if a bonus is offered for good work or good production. This would be payable to all workers, whether they produced good work or bad work.

The system whereby a worker who is absent on Saturday or Monday loses two days' pay is also illegal. Nor is it legal to have two rates of pay. One for "good" and one for "bad" work. From January 1st, the provisions of the Act will be strictly enforced and employers are hereby informed that by that date they must have taken the necessary steps to deal with the question of bonuses.

Two test cases were filed in the Court of the City Magistrate, Ahmedabad, to determine whether "regular attendance" and "quantity or efficiency" bonuses formed part of the wages payable to employees and whether non-payment of the bonuses on the ground of non-fulfilment

of the conditions attached thereto amounted to an illegal deduction for the purposes of section 7 of the Payment of Wages Act. The decision of the Magistrate in both cases was that the bonus formed part of the wages and that the non-payment of it amounted to an illegal deduction under the Act.

It is understood that an appeal has been lodged in both instances.

## TEXTILE LABOUR ENQUIRY COMMITTEE.

Under resolution No. 1988/34, dated 13th October 1937, the Government of Bombay, Political and Reforms Department, appointed a Committee of Inquiry to be known as the Textile Labour Enquiry Committee to investigate into the question of the adequacy of wages and kindred matters in connection with the textile industry in this Province.

The terms of reference to the Committee were :—

1. To examine the wages paid to workers having regard to the hours, efficiency and conditions of work in the various centres of the textile industry in the Province, to enquire, in this regard, into the adequacy or inadequacy of the wages earned in relation to a living wage standard and, if they are found in any occupation, centre or unit of the industry to be inadequate, to enquire into and report upon the reasons therefor, and to make recommendations regarding :

(*a*) the establishment of a minimum wage,

(*b*) the measures which the employers, the employees and the government should take to improve the wage level,

(*c*) the remuneration of workers engaged on night shift, and the regulation of night shift work,

(*d*) standardisation of wages and musters, and

(*e*) the methods of automatic adjustment of wages in future.

2. To report whether in view of the present condition of the industry an immediate increase in wages can be given in any occupation, centre or unit of the industry, pending the conclusion of the Committee's work and the preparation of its report and to make recommendations in this behalf.

3. To report on any matters germane to the above.

The Textile Labour Enquiry Committee issued an interim report in February 1938 in which they came to the conclusion that the condition of the industry had decidedly improved in the year 1937, that it had emerged out of the period of depression, and that the profit making capacity of the industry as a whole had increased. They added that the wages of the workers employed in the industry had been subjected to various cuts in recent years and the principal reason advanced for these cuts was the depression. This having been lifted it was the opinion of the Committee that an increase in the existing level of wages was justified.

The Government of Bombay accepted the recommendations contained in the report and recommended to the millowners that the proposed increases should be introduced with effect on the wages due for the month of February 1938 or for the last pay period of the month of February 1938.

The Committee of the Chamber considered the report in consultation with the Labour Sub-Committee and in addressing the Government of Bombay in the matter pointed out that the Report was issued on the 14th of February with a recommendation that the increase in wages should be brought in retrospectively from the 1st of February, a date prior to the issue of the Report. The Committee considered that this recommendation was not justified in the circumstances in which it was made. It was their considered opinion that if Government deemed it to be necessary to increase the wages of textile workers on the scale recommended by the Committee, the urgency for making the increase was not such that it warranted the infliction upon those interests whose capital provided the employment in the textile industry, the increased costs which would accrue to the industry in sale contracts made during the period covered by the post-dating, in addition to the similar costs to be met on sale contracts made previously to 1st February for deliveries after that date and on the basis of labour costs in force up to the time of issue of the Interim Report.

The Committee also pointed out that the Report contained a mis-statement in respect of an important fact which must have influenced Government in some degree in their deliberations upon the Report when it was submitted to them by the Textile Labour Enquiry Committee, since the report was issued and recommended for acceptance without the mis-statement being corrected or reference being made to it.

The mis-statement in question read as follows :—

"The basic allotment has been reduced from 325 million yards to 283 million yards."

This was incorrect, as the figure of 325 million yards applied to India and Burma jointly, whilst the reduced quantity of 283 million yards applied to India alone, the apparent reduction being due only to the separation of Burma, which did not and would not, *per se*, affect the import of Japanese goods into India. It was noteworthy that the Mill Industry in Bombay had, during the past 18 months, been creating a healthy and growing export trade with the consequent increased consumption of Indian grown cotton. Every effort was being made to consolidate this trade so that it might continue after the termination of the Sino-Japanese hostilities. The introduction of increased wages on the scale and in the manner recommended by Government, with the possibility of additional burdens foreshadowed in impending social legislation, gave rise to a position which must undoubtedly adversely affect the industries' capacity of export.

The Committee further pointed out that in so far as this was a Provincial measure the proposed increase in wages immediately put mills in the Bombay Presidency at a disadvantage with those of other Provinces and particularly with those in the Indian States. Moreover, as wages would be on a higher scale in the Bombay Presidency than elsewhere there would be a tendency for an influx of labour and consequent unemployment.

The Committee regretted to note that the recommendations did not take into account in laying down the increased wages to be given in the different categories the fact that certain mills already paid wages on a considerably higher scale than others and they were of opinion that the voluntary movement towards higher wages and better working conditions of labour which had been gathering force among employers to a marked extent during recent years would have been encouraged by a differentiation in its favour which the facts might be considered to justify.

## TRADE UNIONS.

### Proposed Compulsory Recognition by Employers.

(*See Report* 1937, *page* 197.)

In August 1938 the Associated Chambers of Commerce of India forwarded to this Chamber a copy of a private Bill which it was proposed to introduce in the Central Legislative Assembly to provide for the compulsory recognition by employers of Trade Unions satisfying certain conditions, and for that purpose further to amend the Indian Trade Unions Act, 1926.

In the statement of objects and reasons appended to the Bill it was mentioned that in the existing nascent stage of Trade Unionism in India, the recognition of Trade Unions by employers whether Government or private individuals was of great importance. The experience of Indian labour during the last twenty years had abundantly shown that for obtaining such recognition alone many strikes had had to be resorted to, causing great sufferings to workers and cruel victimisation of labour leaders in addition to the arrest of the growth of industrialisation of the country. It was not fair to leave the burden of fighting for the recognition of their Trade Unions on the ill organised and under-paid Indian labour. It was also generally recognised that a healthy growth of Trade Unions, recognised by the employers and the State, tended to bring about a

harmonious atmosphere, conducive to the industrial development of the country. Hence this Bill providing for the compulsory recognition of those Trade Unions which satisfied any reasonable conditions that might be prescribed by the Government.

In addressing the European Group in the Central Legislature, the Committee recommended to the Group that they should offer all possible opposition to the Bill. They were of opinion that the time was most inopportune to take into consideration an amendment to enforce the compulsory recognition of a Trade Union by employers when comprehensive labour legislation was at present before the Bombay Provincial Legislative Assembly, which, when it became law would, in all probability, form a model for similar legislation in other provinces of India.

The Committee mentioned that while they had no strong views against the proposal to render employers liable to a fine who might refuse leave on loss of pay to an employee in terms of Clause 2(28-B) of the Bill, they were of opinion that no amendments of the Act should be taken into consideration for the time being.

The Committee added that a similar Bill had been brought before the Bombay Legislative Assembly in January 1938 which met with strong opposition from the representatives of Government and consideration had been postponed *sine die*.

Up to the time of writing this Report the Bill had not been introduced in the Legislative Assembly.

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## HOURS OF WORK OF SHOP ASSISTANTS AND COMMERCIAL EMPLOYEES.

In March 1938 the Commissioner of Labour asked for the views of the Chamber on a Draft Bill to regulate the hours of work of shop assistants and commercial employees and for certain other purposes.

After referring the Bill to a special Sub-Committee the Committee informed the Commissioner of Labour that they had no objections to the acceptance of the general principle involved therein by which it was proposed to introduce regulations to control the hours of work of certain classes of employees and also of children and young persons.

The Committee stated, however, that in their opinion the Bill in its existing form was too comprehensive to avoid the various anomalies that were bound to arise in practice and there was a consequent danger that if such social legislation was put on the Statute Book, it might fall into contempt by its impracticability in application.

In particular its application to commercial establishments was far in advance of the legislation of most western countries. The Committee were convinced that it was not the intention of the authors of the Bill to place certain restrictions on employers or employees which would not assist in smooth working in general and would not be to the benefit of either. Yet by application of the Bill, as drafted, to such commercial establishments this would undoubtedly be the inevitable result. Furthermore, they believed that they were correct in saying that in all commercial establishments controlled by the members of this Chamber the conditions of service were ordinarily well within the provisions of the Bill and always well within the ideals which the Bill was intended to promote. The definition of commercial establishments as it stood in the Bill, would, however, include banks, business houses, professional offices, railways, shipping offices, travel agencies, etc. In many of such establishments circumstances might arise from time to time which would necessitate employees working on such special days for longer hours than those countenanced in the Bill. Rarely if ever did employees object for it was realised in general that their conditions of employment established an average of hours per day or per week which compared more than favourably with the conditions proposed by the Bill.

In the case of banks and certain other commercial establishments a particular difficulty also arose if the terms of the Draft Bill were to be applied to them. Periodical accounts were usually prepared twice a year and on these occasions it was probable that the maximum period of 9 hours per day would be exceeded and advantage would be taken of the provision made in the Bill for 15 days in the year during which overtime was permitted. Owing, however, to the nature of the employment of bank clerks it was essential that they should account for moneys entrusted to them and the books of the bank balanced before they left the places of their employment at the end of each day, and if their work had been inaccurate they had to remain until the mistake was discovered. To impose a limit of a 9-hour working day in such cases was obviously unacceptable.

The Committee were of opinion therefore that it was inadvisable to include commercial establishments within the scope of the present Bill, and more particularly when it was borne in mind that the cost and harassment of inspection in a city and bazaar like that of Bombay would be enormous.

In view of the foregoing therefore, the Committee strongly recommended that commercial establishments should be excluded from the scope of the Bill altogether, and that the proposed legislation should apply only to shops and the retail trade, in the sense of a maximum 54-hour week rather than a 9-hour day.

With the foregoing recommendations in mind the Committee offered criticisms on certain clauses of the Draft Bill.

## AGE OF EMPLOYMENT OF CHILDREN.

In August 1938 the European Group, Indian Central Legislature, forwarded for the views of the Chamber a Bill to regulate the admission of children to certain industrial employments, which was introduced in the Legislative Assembly on the 15th August.

In the statement of objects and reasons appended to the Bill, it was pointed out that the Twenty-third Session of the International Labour Conference adopted a Convention in which a special Article for India was inserted fixing the minimum age at which children might be employed or might work in the transport of passengers, goods or mails by rail, or in the handling of goods at docks, wharves or quays, at 13 years. This Bill provided for prohibiting the employment of children under 15 in occupations connected with the transport of goods, passengers or mails on railways, and for raising the minimum age for handling goods in docks from 12, the age fixed by Section 6 (A) of the Indian Ports Act, 1908, to 14, the age recommended by the Royal Commission on Labour. A simple procedure enabling employers to safeguard themselves against transgressions of the Act by furnishing themselves with, or requiring candidates for employment to possess, certificates of age, was provided in the Bill.

After referring the matter to the Labour Sub-Committee, the Committee informed the European Group that they considered that the Bill should be given full support.

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## PUNISHMENT FOR FREE OR FORCED OR COMPULSORY LABOUR.

In January 1938 the Commissioner of Labour asked for the views of the Chamber on a private member's Bill to provide punishment for employers of free or forced or compulsory labour, and enquired how far its introduction was likely to affect present rural economy.

In the statement of objects and reasons appended to the Bill, it was mentioned that all forms of free or forced labour had their roots in the feudal form of society. This evil prevailed in its most aggravated form in rural areas in the Bombay Presidency where feudal remnants still survived and thrived. The feudal and patriarchal relations had been allowed to survive in India due to reasons of economic and political character.

The International Labour Conference which met in 1930 passed a Convention for the abolition of forced or compulsory labour. It was regrettable that the Government of India refused to ratify the Convention and had failed to take steps for the eradication of this evil. But what was more reprehensible was that the Government of Bombay instead of devising measures for the suppression of all forms of free or forced or compulsory labour had been enamoured of free labour from villagers.

The principle that no person could be compelled to labour against his will was recognised by section 374 of the Indian Penal Code. But the wording of the section was so vague that it had failed to root out this evil. The mischief did not lie in compulsion alone, but in non-payment of wages and often times in inadequate payments.

This Bill sought to make free or compulsory or forced labour an offence punishable with imprisonment or fine. It recognised two exceptions to compulsory labour. It allowed impressed labour provided for in the Indian Forest Act, 1927 and the Bombay Irrigation Act, 1879. As it was but just that such labour ought to be adequately remunerated, the Bill made provision for such payment.

In consultation with the Labour Sub-Committee the Committee examined the Bill and advised the Commissioner of Labour that they sympathised with the intention underlying the Bill to remedy the existing position as regards forced or compulsory labour, but considered that the question of free labour should be excluded altogether from the scope of the Bill or the permitted exceptions to the definition of free labour so closely defined that no anomalies would arise and this they feared in practice might not be found possible.

Whilst the Committee understood from the Commissioner of Labour's letter that it was the definite intention of Government to bring about changes in the age-old conditions governing service rendered in certain rural

areas, they were of opinion that any legislation designed to bring about the changes which Government had in view, should be introduced by gradual stages, since it did not appear possible to foresee the repercussions which drastic legislation on the lines proposed in the Bill might have on rural economy.

## SUITS FOR DAMAGES IN RESPECT OF INJURIES SUSTAINED BY WORKMEN.

### Employers' Liability.

In August 1938 the European Group, Indian Central Legislature, asked for the views of the Chamber on a Bill to declare that certain defences should not be raised in suits for damages in British India in respect of injuries sustained by workmen.

Under the common law of England, in civil suits for damages for injuries sustained by workmen it was open to the employer to plead—

(1) The doctrine of common employment by which the employer was not normally liable to pay damages to a workman for an injury resulting from the default of another workman.

(2) The doctrine of assumed risk by which an employee was presumed to have accepted a risk if it was such that he ought to have known it to be part of the risks of his occupation.

The Royal Commission on Labour regarded both these doctrines as inequitable and recommended by a majority that a measure should be enacted abrogating these defences. Provincial Governments were consulted in 1932 and were almost unanimously in favour of legislation for the purpose. In the meanwhile judicial decisions in British India while generally agreeing as to the inequitability of the doctrines had been such as to leave it open to employers in most provinces to have recourse to them. The Bill sought to abolish these defences in the case of all workmen.

The Committee advised the European Group that in their opinion legislation to ensure compensation for injury in the course of employment was ordinarily desirable and

was not in principle open to objection, but they considered the scope of the present Bill to be too wide and doubted the wisdom of legislation of a type which the United Kingdom—where employees were more highly organised than in India—had not yet adopted.

India was noted for litigious tendencies which developed on slight provocation and the withdrawal of these defences might conceivably lead to a possibility of collusion amongst employees and impose a liability on employers beyond their reasonable control. Nor should employers be asked to bear the extra cost of insurance if the event to be insured against was itself not fully reasonable.

For the above reasons the Committee opposed the Bill as it stood.

The Bill was, however, passed by both Houses of the Legislature and received the assent of the Governor-General on 24th September 1938 (Act XXIV of 1938).

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## RECRUITMENT FOR GOVERNMENT POSTS AND ITS EFFECT ON UNEMPLOYMENT.

In February 1938 the Government of Bombay, Political and Services Department, forwarded to the Chamber for their information and views copy of a letter that had been received from the Government of India, Department of Labour, regarding the effects on unemployment of Government's methods of recruitment, and the consequent possibility of alleviating unemployment by alterations in the system or systems of recruitment for Government posts.

The three main questions on which the Government of India desired views were :—

(1) Was it desirable to have a competitive test, at a comparatively early age, success in which would be a necessary but not sufficient condition for entrance into Government employment ?

(2) Should there be any system of restricting entrance for the test ?

(3) Would the Provincial Government be prepared to adopt such a scheme and if so, did they favour tests which would be common to them and the Central Government.

The Committee advised the Government of Bombay that they were in full agreement with the desirability of having a competitive educational test for aspirants for Government service at a comparatively early age. They considered that there should be no restriction of entrance to the primary test except in so far as there should be a fee which parents who would in the normal course send their children to a university could meet without difficulty. The Committee also considered that this examination should be a test of general knowledge and common sense rather than one for which candidates could specialise from text books. They were of opinion that the ideal to be aimed at was that such a test should be common between all Provinces and the Central Government, but for the time being they realised that such an ideal was difficult of accomplishment. They therefore recommended that the Provincial Governments and also the Centre should adopt the scheme as outlined and that, as far as possible, there should be co-ordination and collaboration between Provinces and between Provinces and the Centre in respect of the standard to be set.

In conclusion, the Committee suggested that Government might be well advised to examine the possible adaptation to Indian conditions of the scheme used by the Birmingham Education Sub-Committee in conjunction with the Department of Psychology.

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## EMPLOYMENT OF INDIAN APPRENTICES.

In December 1937 the European Group, Bombay Provincial Legislature, requested the views of the Chamber on the following two resolutions which were on the agenda for the session of the Bombay Legislative Assembly which commenced on the 10th January 1938 :

"(1) This Assembly recommends to Government to issue instructions to all Departments of Government, semi-Government bodies, Municipal Corporations and Municipalities to insert in all

contracts and agreements with (non-Indian) suppliers for the supply of stores, materials, machinery or services, a clause to the effect that the suppliers concerned shall afford every facility to Indian apprentices for practical training in factories, workshops or offices, owned, managed, controlled or patronised by them so as to enable the Indian apprentices to acquire a full knowledge of the technique and work of their trade, industry, calling or profession."

"(2) This Assembly recommends to Government that they should establish employment bureaus whose functions should be to keep registers of unemployed persons and to find out suitable employment for them."

The Committee considered that a strong protest should be voiced against the first resolution on the grounds that whereas the facilities which the resolution covered were normally given, the suggestion of compulsion and discrimination between Indian and non-Indian suppliers was highly objectionable. It was also considered that the facilities in question were very loosely defined and were open to more than one kind of abuse. Moreover, the Committee suggested that it was not in the taxpayer's interest that the liberty of tendering supplies to public bodies should be restricted by conditions which were discriminative and might be onerous in certain cases.

As regards the second resolution in respect of the establishment of employment bureaus, the Committee were willing to support this on the general grounds that anything which could be done to reduce unemployment was a step in the right direction. They pointed out, however, that many of the cotton mills had already unofficial employment bureaus which were organised on the *pali* system, whereby unemployed workers registered their names and in due course received employment when vacancies occurred. The Committee stated that they understood that this system was most satisfactory in practice and considered that it was unlikely that the suggested establishment of employment bureaus by Government would help employment to any great extent and their administration would probably prove to be expensive.

The European Group in reply stated that in order to meet the Chamber's objection that the first resolution was discriminatory, they had decided to propose amendments to it removing the discriminatory provision by the substitution of the word "all" for the word "non-Indian," and also deleting the word "patronised." As regards the Chamber's objection to the element of compulsion suggested in the resolution, the Group considered that it was unavoidable in the circumstances and that a precedent for it existed in the conditions laid down by the Indian Stores Department that a certain proportion of all goods supplied should be Indian. The Group agreed that the facilities in question were very loosely defined, but considered that this might possibly prove of advantage from the employer's point of view. As regards the Chamber's suggestion that the conditions suggested in the resolution were not in the tax-payers' interest, the Group considered that the objection would be very largely met if the discriminatory provision in the resolution was amended.

In connection with the second resolution, the Group stated that they had been given to understand that it was not likely to be moved and would be dropped in favour of another resolution on the agenda recommending the appointment of a Committee to inquire into the whole question of unemployment and suggested remedies. Consideration of the desirability of the establishment of employment bureaus would be amongst the questions to be considered by this Committee.

The resolution was passed by the Legislative Assembly on 27th January 1938 in the following form :—

"This Assembly recommends to Government to issue instructions to all departments of Government, semi-Government bodies, Municipal Corporations and Municipalities, to insert in all contracts and agreements with all manufacturers and suppliers for the supply of stores, materials, machinery or services a clause to the effect that the manufacturers concerned and the suppliers concerned shall afford or procure, as the case may be, every facility to Indian apprentices for practical

training in factories, workshops or offices, owned, managed, controlled or patronised by them so as to enable the Indian apprentices to acquire a full knowledge of the technique and work of their trade, industry, calling or profession."

In April 1938 the Government of Bombay asked for the views of the Chamber on the above resolution.

In replying to Government the Committee stated that in their opinion the conditions of contract as between Government and supplier which would arise, were effect given to the resolution, were impracticable. They agreed that it might be possible for workshops owned or controlled by suppliers to comply with the undertaking but they considered it clearly impracticable for those who merely managed or patronised workshops to give or procure such an undertaking. This would apply with special force to the supplier who collected his parts from many manufacturers to enable him to tender for the complete unit of supply which was required.

The Committee pointed out that the employment of Indian apprentices was already in operation in many directions and was likely to develop in its proper economic manner. The wording of the present resolution would impose restrictions on the competitive capacity of firms who tendered for Government contracts and would undermine the possibility of Government obtaining the lowest possible price from the greatest range of alternative sources of supply.

The Committee stated that they were therefore definitely opposed to Government giving effect to the recommendations contained in the resolution, but that they would, however, raise no objection to an expression of the desirability of the principle being adopted wherever possible, without insisting on precise conditions which, if made effective, would be bound to carry the foregoing objections.

The Committee suggested that a clause worded somewhat as follows might be suitable for adoption :

"The manufacturers concerned and the suppliers concerned accept the principle of the desirability of facilities being given to Indian apprentices in practical training in factories, workshops, or offices, owned, managed, controlled or patronised by them so as to enable the Indian Apprentices to acquire full knowledge of the technique and work of their trade, industry, calling or profession and undertake to implement this principle to the extent that it is practicable to do so."

The Government of Bombay, however, accepted the recommendation contained in the resolution as passed by the Legislative Assembly and directed all Departments of Government, the Heads of Departments and the Heads of Offices subordinate to them to give effect to it. The Municipal Commissioner for the City of Bombay was requested to bring the recommendation contained in the above resolution to the notice of the Corporation. The Collectors of Districts were also asked to take similar action as regards local bodies in their jurisdictions and advise them to give effect to the recommendation, and the Departments of the Secretariat were instructed to advise other semi-Government bodies, if any, under their control to give effect to the recommendation.

## BILL TO REGULATE TRANSACTIONS OF MONEY-LENDING.

(*See Reports* 1917, *Vol. I, page* 38 ; 1928, *Vol. I, page* 40 ; 1932, *page* 252 ; 1934, *page* 71 ; 1935, page 192.)

In January 1938 a Bill was introduced in the Legislative Assembly to make provision for the regulation and control of transactions of money-lending. In the statement of objects and reasons appended to the Bill it was mentioned that at the moment money-lenders were not regulated by any enactment. It had been generally recognised that there should be some legislation which would enable Government to have some control over persons who played such a large part in the economic life of the population. For this reason Government had brought forward this Bill.

After referring the Bill to a Special Sub-Committee, the Committee in the first place drew Government's attention to the fact that all banks, insurance companies and other Incorporated Companies would appear to fall within the scope of the Bill as at present drafted, except only as regards chapter IV which dealt with the regulation of accounts and from which these institutions might be especially exempted under clause 26.

These institutions would therefore become subject to licensing and to the various penalties prescribed for money-lenders contravening the provisions of the Bill.

The Committee assumed that it could not have been Government's intention to include such institutions in the scope of the Bill and they therefore thought that it was unnecessary to draw attention to each of the individual clauses of the Bill which would adversely affect banks and the other institutions. They, however, particularly, referred to chapter III, clause 10 (3) which dealt with the Registrar's powers to call for evidence which would, in the case of banks, conflict with the Bankers Evidence Act, and also clause 13 (5) which would affect a banker's right of set off.

The Committee, therefore, strongly recommended that chapter I, clause 2 (10) wherein a money-lender was defined, should be amended to exempt from the scope of the Bill all scheduled banks, registered insurance companies, and all incorporated companies and private firms carrying on business, not having for its primary object the lending of money, in the course of which or for the purposes whereof money might be lent.

The Committee also recommended that clause 26 of chapter IV shall be deleted as it would then be no longer necessary, if the foregoing amended definition of a money-lender was included in the Bill.

The Committee emphasised the great importance they placed on Government taking the action recommended above

and with the assumption that this would be done, submitted the following comments on the various clauses of the Bill :

*Chapter III—Clause* 8.—Under this clause it was stated that no money-lender should carry on the business of money-lending except in the area for which he had been granted a licence. No directions were given whether the licensed area meant the area in which the borrower resided or the area in which the money-lender had his office, or both.

*Clause* 9 (1) (*f*).—The Committee suggested that the amount of capital that a person intended to invest in the business of money-lending as laid down under this clause required more careful definition, as, e.g., what was the total amount of capital invested in the case of a money-lender lending out a thousand rupees a month for eleven months and a lakh of rupees for one month.

*Clause* 9 (2) (4).—Here again the question of area arose. If the area applied to the borrower, what was the position of a money-lender established outside the Bombay Presidency if he was not registered in the particular area. The Committee recommended a clearer definition which would not leave the foreign money-lender unprotected and unable to sue.

*Clause* 10 (2).—This clause permitted the Registrar to claim additional licence duty for which a money-lender was liable if he lends capital over and above the amount to which his licence entitled him. The Committee recommended here that there should be a penalty attached to this clause, when the money-lender's action was proved to be wilful, as otherwise it might become the normal procedure to take out a cheaper licence in the hope of not being detected.

*Clause* 11.—Under this clause a licence for one month, i.e., for the month of March, would cost the same as a licence for a whole year. Was this considered desirable ?

*Clause* 22 (2) (*a*) and (*b*).—In these sections it was stated that a money-lender must deliver to the debtor a statement of terms agreed as provided in the Bill and or a receipt "within a reasonable time" after a loan was made. The Committee submitted that any delay was unnecessary and that both the statements of terms agreed as provided in the Bill and receipts should be made at the time of the transactions.

*Clause* 26—The Committee considered that this clause should be deleted, *vide* the recommendations refered to above.

*Clause* 27.—The Committee drew Government's attention to the very far reaching effects of this clause which would, in their opinion, affect the entire economic life of the rural population and might lead to the abolition of the village *bania* and consequent difficulty for agriculturists in obtaining credit facilities at all.

*Clause* 28.—The Committee recommended that permission of the Court to pay a debt by instalments should be made at the time of the judgment decree and not dependent on a later application by the judgment-debtor.

*Clause* 29.—The Committee agreed with the proposed rates of interest as at the present day in comparison with the present bank rate, but recommended to Government that these rates of interest should be reviewed from time to time and they should, as far as possible, be maintained in relation to the current bank rate. The Committee also recommended that interest should be expressed not on a percentage basis, but in relation to the rupee which was the usual Indian custom. They also considered that a secured loan should be defined and provision made for the percentage of interest charges (in relation to the rupee) against a partially secured loan.

*Schedule of Licence Duty* (*Clause* 10).—The Committee considered that in so far as it was implied in the statement of objects and reasons that this was a beneficial Act to

obtain control over money-lenders, the licence fee should be a fixed sum and not dependent on the amount of capital utilised which would operate rather as a professional tax than as a licence fee. In English law it was understood that the fee fixed for a money-lending licence was £15 annually.

The Bill was referred to a Select Committee of the Bombay Legislative Assembly on the 29th January 1938 and by a further resolution passed on the 17th August 1938 the time for the presentation of the Report of the Select Committee was extended to the 15th November 1938.

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## INTERNATIONAL LABOUR CONFERENCES.

### Representation of Chambers of Commerce.

(*See Reports* 1936, *page* 206 ; 1937, *page* 205.)

In the Chamber's Report for 1937 reference was made to the reply received by the Associated Chambers of Commerce of India from the Government of India in regard to the claim of Chambers of Commerce to participate in the selection of Delegates and Advisers for the International Labour Conferences.

It was mentioned that in addressing the Associated Chambers in the matter the Committee had stated that in their opinion the reply appeared to meet the contention raised in the Associated Chambers' letter both fully and fairly, and that they did not consider therefore that it would be profitable to pursue the matter further with the Government of India.

In March 1938 this Chamber was informed by the Associated Chambers that the comments submitted by the constituent Chambers did not warrant the Association, as such, taking any further action in the matter. The Bengal Chamber had, however, taken up the question with their local Government and it was suggested that those of the constituent Chambers who were so inclined might consider the desirability of addressing similar representations to their provincial Governments.

The Committee decided not to take further action pending the receipt of a reply by the Bengal Chamber to their letter to the Government of Bengal.

## TWENTY-FIFTH SESSION OF THE INTERNATIONAL LABOUR CONFERENCE.

The twenty-fifth session of the International Labour Conference will be held at Geneva in June 1939, when the following items will be on the agenda :

(1) Technical and vocational education and apprenticeship.

(2) Recruiting, placing and conditions of Labour (equality of treatment) of migrant workers.

(3) Regulation of contracts of employment of indigenous workers.

(4) Regulation of hours of work and rest periods of professional drivers (and their assistants) of vehicles engaged in road transport.

(5) Reduction of hours of work in Industry, Commerce and Offices.

(6) Reduction of hours of work in Coal Mines.

## GRADING AND MARKETING OF AGRICULTURAL PRODUCE.

(*See Report* 1937, *page* 210.)

In July 1938 the Government of Bombay, Revenue Department, requested the views of the Chamber in regard to certain proposals of the Imperial Council of Agricultural Research for the inclusion of additional items in the Schedule for which grading was adopted by the Agricultural Produce (Grading and Marketing) Act, 1937.

When the Bill was first introduced in the Legislative Assembly in February 1937 with the object of grading and marking certain agricultural produce, the Committee informed Government that they had no objection to the Bill. The articles in the Schedule in which grading was adopted consisted of the following :—Fruit, vegetables, eggs, dairy produce, tobacco, coffee, hides and skins.

Under the new proposal it was decided to include in the Schedule wheat, fruit products, cotton of specified botanical varieties, *ata* and rice of specified varieties.

The Committee informed Government that they had no comments to offer on any of the commodities mentioned with the exception of cotton of specified botanical varieties. In this case the Committee considered that there would be no disadvantage if the Agricultural Produce Act was applied.

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## IMPROVEMENT OF AGRICULTURAL MARKETING IN INDIA.

### Groundnut Standards.

At a conference which was held in Bombay on the 27th September 1937 between certain representatives of associations and mills dealing in groundnuts and the Agricultural Marketing Adviser to the Government of India, it was pointed out that the acreage under groundnuts in India had increased by more than ten times in the last 40 years during which time new varieties and new methods of decortication had been introduced. This had involved the introduction of new contract terms from time to time and there was now considerable variation in the terms of existing contracts. In view of these conditions, the necessity of having a standard contract was stressed not only for the benefit of the trade, but in order that the charges and deductions to which the producer was liable might be as uniform and low as possible so that he might get the maximum return for his crop. It was suggested that there should be four standard contracts for four standard types based on the size of the kernels. Several suggestions were put forward at the conference for the standard contract of groundnuts.

The papers in this connection were circulated amongst members interested in the groundnut trade, and after

obtaining their opinions the Committee offered the following suggestions to the Agricultural Marketing Adviser :—

(I) Separate contracts in respect of three standard types of Indian decorticated groundnuts :—

The three standard types nominated were :—

(A) Khandeish

(B) Coromandel

(C) Bold.

The Committee did not consider that these fully represented the varieties available. In the case of type (A) it was not specified whether this standard would represent only groundnuts produced in Khandeish or whether it included *all* small round kernels such as were produced in the Hubli and Commitistricts. If the latter was the intention then the other dtee did not consider the standard a proper one for the trade to base itself on considering the intrinsic value of those kernels in respect of oil. They considered two separate standards should be nominated for Khandeish quality, one representing groundnuts produced in Khandeish and the other representing groundnuts produced in districts other than Khandeish.

The Committee also considered that a separate standard should be provided for the variety of groundnuts known as "Karad" which was a cross between Coromandels and Bold.

(II) *Under Description.*—The admittance of Lal Boria (Red Netal) to the extent of 5 per cent. into the standard types was far too excessive. The Committee considered that the percentage should be reduced to 1 per cent.

(III) *Under Condition.*—The Committee stated that this clause was not quite clear but they would be pleased to express their comments if its purpose was explained. The period of sun test should, however, be increased from 1 hour to 3 hours as the former period was insufficient for an adequate test.

The Committee also proposed the following amendments :—

(IV) *Under Refraction and Allowances :—*

D. *Slightly damaged (touched or externally discoloured).*

The basis should be the same as for damaged kernels, i.e., basis 2 per cent. tolerance.

From 2 per cent. to 4 per cent. the whole (viz., 0 to 4 per cent.) would be reckoned as ¼ dirt.

From 4 per cent. to 7 per cent. the whole (viz., 0 to 7 per cent.) would be reckoned as ½ dirt.

F. *Broken Kernels and (G) Nooks.*—These should be treated as one under the scale for nooks. Two separate scales would lead to many disputes between sellers and buyers.

H. *Special terms in regard to Castorseed.*

Castor Beans nothing free.

From 1 to 8 beans per bag cleaning charges at the rate of 1 anna per bag to be recovered from sellers. Over 8 to 15 beans per bag cleaning charges 2 annas per bag.

I. *Option to Reject.*

(*b*) When the damaged and slightly damaged kernels exceeded 7 per cent.

(*c*) when the goods contained more than 15 Castor beans per bag.

The Committee drew attention to the fact that goods at the time of delivery might contain a certain percentage of slightly damaged which after a few weeks became fully damaged and therefore their opinion was that slightly damaged should be treated on the same basis as fully damaged kernels.

## IMPROVEMENT OF AGRICULTURAL MARKETING IN INDIA.

### GRAIN STANDARDS.

(*See Report* 1936, *page* 222.)

In March 1938 the Agricultural Marketing Adviser to the Government of India informed the Chamber that with a view to arriving at a final decision in regard to the terms of the contracts to be drawn up in the case of wheat, linseed and groundnuts, an informal Grain and Oilseeds Conference was being held on 4th April 1938 in the Old Secretariat Buildings, Delhi, and asked the Chamber to nominate a representative to attend that meeting.

The Committee nominated Mr. C. J. Damala of Messrs. Ralli Bros. Ltd., to attend the conference.

In May 1938 the Agricultural Marketing Adviser forwarded for the views of the Chamber two statements showing the standard tolerances and scales of allowance in linseed contracts, and standard tolerances and scale of deductions in white wheat contracts which were finally approved at the Third Grain and Oilseeds Conference, held at Delhi on the 14th April 1938.

It was decided at the Conference that it would be desirable for the new contract terms to be applied to 'futures' and 'delivery' transactions in respect of all contracts entered into for delivery in May 1939 and for subsequent months.

The Agricultural Marketing Adviser enquired what steps had been or were being taken by the Chamber to give effect to this decision.

The Committee informed the Agricultural Marketing Adviser that whilst the members of the Chamber interested in the wheat and linseed trade approved of the suggested bases, they were not in a position to take any action as all transactions in Bombay were regulated by the contract approved by the Grain Merchants' Association (for goods) and the Marwari Chamber [for futures (*satta*)].

## FEDERATION OF INDIAN GRAIN AND OILSEEDS ASSOCIATIONS.

In February 1938 the Chamber was advised by the Provisional Committee of the Federation of Indian Grain and Oilseeds Associations that in the conference held at Bombay in September 1937 for evolving a standard groundnut contract, the Agricultural Marketing Adviser mooted the idea that the Grain and Oilseeds Associations in India should form a Federation which should look after the interests of the trade as a whole, and function on the lines of similar bodies in other countries.

The Provisional Committee enquired whether the Chamber would be willing to join the proposed Federation as one of its members.

The Committee replied to the effect that as only a portion of the members of the Chamber were interested in the grain and oilseeds business, they were not in a position to become members of the proposed Federation as a Chamber. The Committee added that they would be glad to render such support as they were able and would draw the attention of those members of the Chamber who were interested in the trade, to the move which was being made to form the Federation.

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## MARKETING SURVEY OF COTTON IN INDIA.

In March 1938 the Indian Central Cotton Committee forwarded for the opinion of the Chamber a copy of a proposed scheme for a marketing survey of cotton in India prepared by the Agricultural Marketing Adviser to the Government of India.

After referring the proposal to the Cotton Sub-Committee, the Committee advised the Indian Central Cotton Committee that while they were of opinion that a marketing survey was definitely desirable, they considered that the

outcome and value of the Punjab survey, which scheme they understood had already been authorised, should be awaited before an ambitious all-India scheme of the kind suggested could be justified.

It is understood that the Indian Central Cotton Committee subsequently decided to postpone consideration of the proposed scheme for a marketing survey of cotton in India till the results of the cotton marketing survey scheme in the Punjab which was sanctioned by the Indian Central Cotton Committee for a period of 15 months, were available. The Punjab scheme was expected to come into operation on the 1st September 1938.

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## REPORTS ON DEVELOPMENTS ABROAD OF INDIAN COTTON.

In November 1937 the Indian Central Cotton Committee asked for the views of the Chamber on the proposed establishment of an overseas organisation for reporting developments abroad regarding Indian cotton. The Indian Central Cotton Committee observed that there was at the moment no organisation to supply information as to the developments in overseas markets, and desired that a suitable scheme for an overseas organisation might be drawn up in co-operation with trade organisations.

The object of such an organisation, in the first instance, would be to collect information regarding developments in the cotton trade in those countries which imported Indian cotton, and from which finished goods were exported, and generally to watch the interests of Indian cotton abroad.

After obtaining the views of the Cotton Sub-Committee, the Committee advised the Indian Central Cotton Committee that while they were of opinion that that Committee with their knowledge of the essential requirements of the cotton trade, were the best qualified body to draw up a scheme on which other interested parties might be invited to comment, they suggested that a beginning

should be made by arranging for the relevant information to be collected by Consuls, Commercial Attaches and Trade Commissioners and communicated by periodical reports to the Indian Central Cotton Committee. The Committee of the Chamber added that after having commenced on the foregoing lines and the prospects of development had been analysed, the further question of establishing an overseas organisation could then be advantageously explored.

The Chamber was informed subsequently that the Indian Central Cotton Committee had decided for the moment not to proceed further with this matter.

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## SCIENTIFIC CROP PRODUCTION IN INDIA.

Early in December 1937 the Associated Chambers of Commerce of India invited the Chamber's attention to a report that had been issued by Sir John Russell on the work of the Imperial Council of Agricultural Research in applying science to crop production in India. Mr. F. C. Fyffe, the representative of the Associated Chambers on the Wheat Committee of the Imperial Council of Agricultural Research, in commenting on the report suggested that the conclusions to be drawn from the opinions expressed in Sir John Russell's and other published reports were :—

(1) That the policy of distribution of improved seed, being practised at the moment by the Imperial Council of Agricultural Research, should be continued.

(2) That the types of improved seed should be limited, numerically to as small a number as possible, having in view the ultimate purpose of gradually increasing the acreage already put to wheat under a single and most suitable type, which characterises the combination most desired, namely—

(*a*) Rust resistance, (*b*) quality (from the English loaf standard),

(*c*) Higher yield per acre.

(3) That the "quality" characteristics in "strong" hard wheats served in equal measure the requirements of the modern roller flour mills, which produced the high class flour in addition to rough-ground *attas*, as they met the requirements of the domestic *chakki* machine which, by a "sudden death" process of grinding the grain, produced a wheat product suitable only for baking into the Indian *chapatee*.

(4) Modern improved types of Indian wheat were very different from the former ordinary Karachi wheats and compared favourably with good Australian, Canadian and South American samples; and if ever they became the predominant wheats exported from India, they would readily compete in England, provided deliveries were clean and properly graded.

(5) Work done on cash crops should be done in association with the expert users of the crops, and the Council in sanctioning any scheme for work on the quality of cash crops, should satisfy themselves that the expert users have been properly brought into consultation.

The views and/or criticisms of this Chamber were desired by the Associated Chambers on the various questions raised in the papers.

The papers were circulated among the members of the Chamber interested in wheat and wheat milling and the following views, expressed by a member interested in the flour milling industry, were passed on to the Associated Chambers.

The member generally agreed with Mr. Fyffe's conclusions but pointed out that on an average the total crop of India came to 9.3 million tons, and the consumption of the roller mills in this country and the export would together hardly come to about 10 lakh tons. In fact the exports at times were practically negligible, which meant that barring the few lakh tons used by the roller mills, the whole of the remaining crop was consumed by the people in this country in the form of *chapatties* or such other preparations for which the particular qualities in wheat necessary for baking purposes, were not essential. It was true that the presence of these qualities would equally serve the other purpose or might even be preferred, but in carrying out any investigations or researches, with a view to bringing about such results it should always be borne in mind that the expenses incurred were justified by the comparatively small exports and requirements of the roller mills.

## CENTRAL ADVISORY BOARD ON FOREST UTILISATION.

(*See Report* 1937, *page* 209.)

It was recorded in the Chamber's Report for 1937 that the Committee in replying to a reference from the Government of Bombay stated that in their opinion no useful purpose would be served by the appointment of Provincial Committees of timber utilisation.

In November 1938 the Associated Chambers of Commerce of India forwarded to the Chamber a copy of a letter that had been addressed by the Government of India to all Provincial Governments intimating that in their view more could be done to ensure a close liaison between Forests and Industry by the establishment of a permanent connecting link and that such liaison was not only eminently desirable in the interests of India as a whole but would also result in practical returns of real financial value. The Government of India considered that this could probably best be achieved by the constitution of a Central Advisory Board on Forest Utilisation, whose functions would be to advise the Forest Research Institute on the selection of particular problems for investigation, on the initiation of such investigations and on the best means of making practical and beneficial use of their results.

It was proposed that two of the members of the Board should be representatives of the Associated Chambers of Commerce of India and the Association enquired whether this Chamber desired to put forward the names of any gentlemen who would be able and willing to act as the Association's representatives in the event of the proposed Board being constituted.

After consulting members interested the Committee informed the Associated Chambers that they did not desire to put forward the name of a representative and added that they did not consider that any useful purpose was likely to be served by the creation of this Advisory Board.

The Chamber was informed at a later date that three nominations had been received from the constituent Chambers for the two seats which the Associated Chambers had been asked to fill on the proposed Central Advisory Board and the Committee recorded the votes of this Chamber in favour of Mr. C. D. Ferrier who had been nominated by the Bengal Chamber and Sir J. P. Shrivastava who had been nominated by the Upper India Chamber. Intimation was received subsequently to the effect that Mr. Ferrier and Sir J. P. Shrivastava had been duly elected by a majority vote of the constituent Chambers.

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## UNITED PROVINCES ARTIFICIAL GHEE COLOURISATION BILL.

In March 1938 a member forwarded, for the consideration of the Chamber, a copy of a representation sent to the Government of the United Provinces by the vegetable products industry in connection with a non-officia Bill called the United Provinces Artificial Ghee Colourisation Bill. It was stated that the United Provinces Prevention of Adulteration Act had been utilised to prevent the sale of adulterated ghee, but this Act had failed to stop the sale of artificial ghee under the guise of the genuine material. Secondly the Prevention of Adulteration Act had also been found in practice to be ineffective in preventing the sale of adulterated ghee. The Bill was meant effectively to prevent the sale of artificial ghee or adulterated ghee.

The Bill proposed that all artificial ghee should be coloured in the manner to be prescribed by the Government before it was exposed for sale.

In supporting the representation made by the vegetable product industry the Committee informed the Government of the United Provinces that they considered that with the organisation that it was proposed to set up under the Bill in order to prevent adulteration, the objective sought could better be obtained by making compulsory the marking of

all packages (original and subsidiary) in which the vegetable product was sold, with a distinctive and uniform label. Such a scheme would make sellers equally liable under the penalties and would not adversely affect a trade valuable to Indian industries and primary producers alike.

The Committee, moreover, suggested that if under the provisions of the Bill the vegetable product was coloured, it would find little or no market, with the consequent result that the price of pure ghee would rise. This would make adulteration still more profitable and offer an enhanced temptation to the fraudulent.

In conclusion the Committee stated that they desired to associate themselves with the representation made by the indigenous vegetable product industry and hoped that the Government of the United Provinces would endeavour to arrange for legislation along lines less prejudicial to the interests of both consumers and manufacturers.

## SUGAR STOCKS.

In May 1938 the Director-General of Commercial Intelligence and Statistics requested the views of the Chamber on a proposal to discontinue the statistics of stocks of sugar at the principal British Indian ports published in the *Indian Trade Journal* each week.

After obtaining the views of members interested the Committee informed the Director-General that in so far as a section of the trade considered that the weekly figures of stocks of sugar published in the *Indian Trade Journal* served a useful purpose the Committee were in favour of their retention. The Committee suggested that in order to make these figures of more value their presentation might be altered as follows :—

(1) The figures of stocks of sugar at ports should be given separately for (1) Indian sugar and (2) Java sugar and other sugars.

(2) There should be uniformity in presentation of the figures to make them comparable, i.e., for all ports the figure should include stocks held by dealers as well as in Customs godowns and Railway sheds.

## SACCHARINE.

(*See Reports* 1933, *page* 97 ; 1934, *page* 78 ; 1936, *page* 62.)

In September 1938 the Government of Bombay published in the *Government Gazette* dated 16th September 1938 certain rules under the Bombay Prevention of Adulteration Act, 1925, one of which pertained to the prohibition of the use of saccharine in foodstuffs.

The Municipal Executive Health Officer was of opinion that saccharine had no food value and was injurious to health if consumed regularly. It was therefore suggested that the use of saccharine in aerated waters and in any kind of articles of food should be prohibited.

The Committee drew Government's attention to a letter received from them in January 1937 wherein it was stated that the draft revised rules under the Prevention of Adulteration Act would be duly published for criticism in the *Bombay Government Gazette*. These rules were in fact published on the 16th September 1938 in draft form and on the 24th September 1938 a notification was issued in the *Bombay Government Gazette* to the effect that the word 'draft' appearing in the heading of these rules was to be deleted.

The Committee stated that representations had already been made to Government in relation to the use of saccharine but they regretted that these views had not been found acceptable. They understood, however, that a letter had been addressed to Government in this connection by a member of the Chamber, the contents of which had the Committee's full support, and they hoped that Government would be willing to re-examine the question.

Government, however, declined to reconsider their decision.

## BY-LAWS OF THE EAST INDIA COTTON ASSOCIATION.

### AMENDMENTS.

During the year under review several amendments in the by-laws of the East India Cotton Association were published. The attention of the Chamber was drawn on each occasion to these amendments by the Government of Bombay and after consulting the Cotton Sub-Committee, the Committee informed the Government of Bombay that they had no objections or comments to submit in regard thereto.

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## BY-LAWS OF THE EAST INDIA COTTON ASSOCIATION.

### COTTON OPTIONS.

In May 1938 the Cotton Buyers' Association asked for the views of the Chamber on the question of the sanction by Government of the by-laws passed by the East India Cotton Association Ltd., in 1934 for the regulation of option business. The Cotton Buyers' Association pointed out that these by-laws were the outcome of the recommendations of the Wiles' Committee which dealt with the subject of option transactions comprehensively and made a majority recommendation stressing the importance on the part of the East India Cotton Association to frame suitable by-laws to bring the transactions effectively under the control of that Association.

The general body of the East India Cotton Association had approved and passed the necessary by-laws as it was felt that control over these transactions was essential if the other alternative, i.e., their total elimination was impossible. The Cotton Buyers' Association were convinced that it was impossible to stop option dealings and they were moreover of the opinion that options, if properly regulated, were at times of undoubted benefit to the trade.

The Association stated that the position with regard to option business was at the moment just as unsatisfactory as it was at the time when the by-laws to control option trading were framed and passed, and the Association felt that whatever apprehensions the Chamber might have had in asking Government to withhold sanction the time had come to review the position.

The Committee informed the Cotton Buyers' Association that they had not hitherto expressed views direct to Government on this question and that the Association appeared to be misinformed in regard to their views on the points at issue. The Chamber had in the past, through its representative on the Indian Central Cotton Committee, supported the proposals of the East India Cotton Association and in so far as this matter appeared to be primarily one for the latter body, the Committee were prepared to support the proposals again if and when occasion arose.

## COTTON GINNING AND PRESSING FACTORIES (BOMBAY AMENDMENT) BILL.

(*See Report* 1937, *page* 213.)

In July 1938 a Bill was introduced in the Legislative Assembly to amend the Cotton Ginning and Pressing Factories Act of 1925, in its application to the Province of Bombay.

In the statement of objects and reasons appended to the Bill it was mentioned that doubts had arisen whether under the Cotton Ginning and Pressing Factories Act, 1925, as amended by Bombay Act IV of 1936, the mixing of cotton waste with cotton was an offence. It was proposed to remove these doubts by specifying cotton waste as a substance which, like other foreign substances, must not be mixed with cotton.

Doubts were also entertained whether in view of the scheme of Section 3A of the Act, the deliberate watering

of cotton was an offence when the watering was so regulated as not to cause the water contents of the cotton to exceed the limit prescribed for determining whether cotton had been watered. It was therefore proposed to split up Section 3A into two sections, 3A and 3AA, the latter of which dealt solely with the deliberate watering of cotton, which was made an offence in all circumstances.

The Chamber's representatives on the Bombay Legislative Assembly were informed that the Committee considered that the Bill should receive their support. The Committee added that they were not in favour of the actual wording used as doubts might still arise as to whether waste was included in foreign substances and whether deliberate watering not being in excess of the normal quantity was in itself an offence.

The Bill was, however, passed in its original form—(Act XX of 1938).

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## TESTING HOUSE IN BOMBAY.

(*See Report* 1931, *page* 286.)

In December 1938 the Director, Technological Laboratory, Bombay, informed the Chamber that the Millowners' Associations of Bombay and Ahmedabad together with the Indian Central Cotton Committee had evolved a scheme for the establishment of a Testing House in Bombay for the purpose of giving facilities for tests on and analysis of samples of cotton, yarn and piecegoods. The Indian Central Cotton Committee had agreed to extend the activities of its Technological Laboratory so as to embrace the work of the Testing House for th cotton trade and industry, and sanctioned the amount required for the purchase of additional apparatus and testing machines. The apparatus and machines were installed in the Laboratory which already had a wide range of apparatus and a batch of fully trained assistants.

## ARRIVALS OF COTTON INTO BOMBAY BY MOTOR LORRY.

(*See Report* 1937, *page* 214.)

A reference was made in the Chamber's Report for 1937 to correspondence that had passed between the Chamber, the Government of Bombay and the East India Cotton Association in regard to the question of the recording of statistics of the arrivals into Bombay of cotton by road.

In December 1937, the East India Cotton Association enquired whether the Chamber would undertake to bear the cost of the extra staff Government might have to engage to collect statistics of produce, particularly cotton, transported into Bombay by road, in the event of such a proposal being made.

The Committee informed the East India Cotton Association that they understood that extra staff would have to be posted at the two arterial approaches to the city at Mahim and Sion, which would entail considerable expense. In view, however, of the extreme importance to the trade of collecting accurate statistics of cotton transported into Bombay, the Committee stated that they were willing if required to post the necessary staff at these two causeways provided the staff so supplied was given the necessary facilities to make records of the loads of all inward and outward lorries.

The Committee requested the East India Cotton Association to inform the Government of Bombay accordingly.

In replying to a further letter from the East India Cotton Association the Committee informed that Association that the Chamber would be willing to consider bearing the cost of the extra staff Government might have to engage to collect statistics of cotton transported to Bombay by road, but they were not prepared to give a definite undertaking until they had further information as to the cost of the proposal.

## COAL SUPPLIES.

(*See Report* 1937, *page* 223.)

It was recorded in the Report for 1937 that this Chamber had opposed a suggestion of the Northern India Chamber that the Government of India should be approached by the Associated Chambers of Commerce of India for the purpose of enforcing "a more equitable form of contract for the supply of coal to electric supply companies."

In March 1938 the Associated Chambers intimated that as there was considerable opposition by the constituent Chambers to the proposal the President had decided that the Association was not in a position to make representations to the Government of India on the lines suggested by the Northern India Chamber.

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## ARBITRAL AWARDS IN COMMERCIAL CONTRACTS.

(*See Reports* 1923, *Vol. I, page* 219 ; 1928, *Vol. I, page* 239 ; 1936, *page* 239 ; 1937, *page* 225.)

In October 1938 the Registrar of the Bombay High Court asked for the Chamber's views on certain rules in connection with arbitral awards in commercial contracts made by the Calcutta High Court under section 10 of the Arbitration (Protocol and Convention) Act, 1937, and which it was proposed to introduce for the Bombay High Court.

In addressing the Registrar in the matter the Committee mentioned that the rules framed by the High Court of Calcutta provided that an application for filing an award was to be accompanied by an affidavit but they did not make it clear that the facts which the Arbitration (Protocol and Convention) Act, 1937, required should be proved by the person seeking to enforce the award, might be proved by an affidavit.

The position under the Civil Procedure Code was that the Court might in special cases order facts to be proved by affidavits, but they thought it should be made clear in the draft Rules that in respect of applications under this Act the normal procedure should be to prove the facts by affidavits and that no special order should be required from the Court for this purpose. Possibly the intention of the Rules was to allow facts to be proved by affidavit unless there was opposition and the Court for any particular reason considered that the opponent should be given an opportunity to cross-examine the deponents, but the Committee considered that the position should be made clear beyond any doubt.

The facts which under the Act the applicant was required to prove were :—

(*a*) That the award had been made in pursuance of an agreement for arbitration which was valid under the law by which it was governed,

(*b*) That the award had been made by the tribunal provided for in the agreement or constituted in manner agreed upon by the parties,

(*c*) That the award had been made in conformity with the law governing the arbitration procedure, and

(*d*) That the award had become final in the country in which it was made.

The Committee considered that in the circumstances the object of the Act would be frustrated if the party seeking to enforce a foreign award would have to prove all the facts which he was required to prove, by production of the necessary witnesses in Court or by taking out commissions for their examination. If the party had to do that he was in no better position than he was before, since it had always been competent after obtaining an arbitration award to file a suit relying on the award.

The Committee therefore suggested an additional rule as follows :—

"All facts required to be proved by the party seeking to enforce a foreign award may, unless the Court otherwise directs, be proved by affidavits."

## DAILY RATE OF DISCHARGE OF TIMBER CARGOES.

*(See Reports, 1911, page 79 ; 1922, Vol I, page 297.)*

In February 1938, the Chamber was asked by a member what quantity per day might be considered as customary quick discharge for timber cargoes in Bombay.

After obtaining the views of the Shipping and Export Sub-Committee, the Committee replied that as neither the nature of timber cargoes nor the conditions of discharge could be a constant factor, they regretted that they were unable to give a ruling in the matter.

## LATE SHIPMENTS.

### Days of Grace.

In August 1938 the Chamber received an enquiry as to what was the prevailing practice in regard to allowing days of grace in cases of late shipment.

The Committee in their reply stated that in regard to the trade in imported piecegoods, days of grace were not recognised ; in regard to certain other imports there was some recognition of days of grace to the extent of 10 to 15 days, but that it was doubtful whether this custom of trade was sufficiently generally accepted to be enforceable without specific provision to that effect in the contract itself.

## WOOLLEN AND WORSTED YARN.

### Loss in Weight as the result of Drying.

In August 1938, the Controller of Inspection, Indian Stores Department, Bombay, enquired of the Chamber as to what was the trade practice in connection with the loss of weight of woollen/worsted yarn as the result of drying.

A case had arisen where 750 lbs. of Super Marino Yarn dyed No. 2/32's weaving twist was consigned from Bombay to the Superintendent, Central Jail, Mach. On arrival of the consignment the consignee picked out 10

bundles of 5 lbs. each at random and laid them out in the open sun for an hour; after exposure to the sun the loss in weight was found to be 3 lbs.; calculating on this basis the consignee claimed a total shortage of 45 lbs. and desired to know if the value of the shortage was to be borne by him or by the supplier.

The Committee informed the Controller of Inspection that they understood that woollen yarn in an "absolutely dry" condition might regain up to 18¼ per cent. in weight before being considered unduly moist or over-conditioned. In the circumstances mentioned the Committee considered the loss of weight at 6 per cent. did not appear to be abnormal and should be acceptable to the consignee.

The Committee also advised the Controller of Inspection that if he desired to carry the matter further, he might arrange for the supplier to furnish the official press packing certificate giving the weights at the time the goods were packed.

The Committee added that the views expressed above were the general practice subject to any specified conditions or terms which might have been stipulated by the parties to the contract.

## LOSS OF CARGO ON VOYAGE.

### Liability for Steamer Freight.

In November 1938, a member asked for the views of the Chamber in regard to the question of a shipper's liability to pay freight on cargoes shipped in ocean-going steamers in the following cases:—

(1) Where the freight was made payable at destination under a bill of lading and the steamer was lost on the voyage, would the holder of the bill of lading be liable for payment of the freight?

(2) Under similar conditions, if the cargo of the steamer was confiscated or seized, would the shipper still be liable to pay the freight ?

After referring the matter to the Shipping and Export Sub-Committee, the Committee replied to the effect that freight, in the ordinary mercantile sense, was a reward payable to the carrier for the carriage and arrival of the goods in merchantable condition ready to be delivered to the merchant, but most bills of lading were claused to the effect that freight was payable or was to be considered as earned whether the ship and/or goods be lost or not lost at any stage of the entire transit.

With regard to question 2, the Committee stated that most bills of lading were claused to the effect that the carriers would not be liable for loss or damage or delay ..... resulting by acts of the King's enemies, piracy, robbery, theft, or pillage with or without violence, arrests and restraints of princes, rulers or peoples. It had been held that seizure (which presumably included confiscation) included every act of taking forcible possession, either by lawful authority, or by overpowering force, whether such seizure was justified by law or not, and whether it was belligerent or not. As such action would be beyond the competence of the Master to prevent, it would seem apparent that any freight payable at destination was still payable in the same sense as that governing the loss of the ship during any stage of the entire transit. It had, however, been held that a vessel seized by a tumultuous mob and the goods taken out of her was not within the exception implied under arrests, restraints, etc., as " peoples " means " the governing power of the country."

The Committee were therefore of the opinion that before a precise reply could be given to the two questions the actual circumstances of the individual case in question must be made clear and must depend also upon the particular contract concerned.

## DISCOUNT ON LETTERS OF CREDIT.

In March 1938, the Ceylon Trade Commissioner for India enquired whether as an alternative to shipping goods on a 30 days D/P basis, Bombay firms adopted the procedure of demanding letters of credit being opened in their favour when foreign trade contracts were desired, and also if it was usual to allow a 5 per cent. or other discount on the invoice value of a consignment in return for opening a letter of credit.

After referring the matter to the Shipping and Export Sub-Committee, the Committee advised the Ceylon Trade Commissioner for India that no ruling could be given in this matter. The terms upon which a letter of credit was arranged was a question between the two parties concerned. There were no hard and fast conditions, as the standing of one purchaser might be quite different to that of another.

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## WAR RISK COVER FOR FORWARD SHIPMENTS.

(*See Reports*, 1935, *page* 212 ; 1937, *page* 228.)

In September 1938, the Chamber received the following telegram from the Karachi Chamber of Commerce.

"Piecegoods, understand impossible to cover war risk for forward shipments, in which case concerted efforts must be made to establish principle of war risk rate buyers liability. Telegraph if any steps already taken by you or if you are agreeable."

After referring the matter to the Import Sub-Committee, the Committee informed the Karachi Chamber that they had come to the conclusion that in regard to importing business in piecegoods the principle of war risk buyers' liability could at the moment only be established by concerted efforts to insist on such a provision in all future contracts. They agreed in principle with such efforts which, however, could only be implemented by a specific agreement amongst sellers. The principle at issue could not be imposed with respect to existing contracts which did

not provide for it and the whole question was academic to the extent that a seller of documents could hope for payment from buyers of the highest standing only for actual goods that were lost and were not insured against the risk which caused the loss.

The Committee stated that their reply was specific to the particular enquiry, i.e., regarding piecegoods and did not necessarily apply to other importing business. Custom of trade had a bearing on the question in its more general aspects and other importing business might be ruled by other considerations.

At the end of October 1938, the Associated Chambers requested the views of this Chamber on a letter that had been received from the Karachi Chamber on the same subject. In the penultimate paragraph of their letter the Karachi Chamber stated that it was their considered opinion that the principle in question was eminently fair and imposed no hardship on the buyer; in fact, there would be occasions where the buyer would profit by acceptance of this principle. The Karachi Chamber considered that apart from this the question of war risk premium, subject as it was to sudden increases which could not be foreseen was closely akin to import duty and as liability for payment of any increase in import duty was on the buyer, this principle should also be applied to war risk premium.

The Committee forwarded to the Associated Chambers a copy of this Chamber's reply to the Karachi Chamber and with reference to the views expressed in the penultimate paragraph of the Karachi Chamber's letter the Committee stated that their view on the point was that buyer's liability could only be established beyond question by specific provision in all future contracts. The initiation of such provision must emanate from the Manchester sellers and without this any general understanding through resolutions of Trades Associations was relatively useless.

The Committee also referred the Associated Chambers to a circular dated 18th October 1938, from the Calcutta Import Trade Association forwarding copy of a reply that had been received by one of their members from the Chief Controller of Stores, Indian Stores Department. The Committee regarded the contents of this letter as a reasonable statement of the case, but the academic aspect of the whole problem was well illustrated by the point which arose from that letter which was that if the buyer decided that "risk will be carried by him," would the seller accept a s ate of affairs in which the risk was taken by a buyer and not by any insurance company ? To cover that point future contracts or tenders would have to provide that the buyer agreed that war risk was to be covered on his account at whatever premium might be in force at the time of shipment.

In his letter the Controller of Stores stated that in the case of c.i.f. contracts made before war the seller was not bound to insure against war risks and was only under obligation to insure against risks that were usually insured against in the trade at the date of the contract. The instructions of the purchase officer should be obtained as regards any such outstanding orders supplies against which had not been shipped. If insurance against war risk was required, the extra premium would be payable by the buyer, otherwise the risk would be carried by him.

If special war risk insurance was required by the Indian Stores Department in the case of any supplies against tenders bearing a note that the prices did not include such insurance, the additional expenditure would be borne by the buyer. Goods should, however, be insured against special war risk only if instructions were received to that effect either from the indentor or from the Indian Stores Department. Failing specific instructions to that effect the stores should be covered on the ordinary insurance terms, the special war risk being carried by the buyer.

The Controller added that if and when a state of war was actually declared, it would be incumbent on suppliers to insure against war risks at their cost in respect of c.i.f. orders placed after the particular date of declaration of a state of war.

These special conditions applied to contracts placed on c.i.f. basis only. In the case of contracts for delivery of stores, "f.o.r." in India or at destination, which had already been arranged, the Indian Stores Department was not liable to pay any extra sum on account of war risk insurance unless such a stipulation had been made in the tender and accepted by the Indian Stores Department.

In respect of future tenders (whether on c.i.f. or f.o.r. or free delivery at destination basis), a clause could be inserted to the effect that the prices did not provide for war insurance risk and that the extra premium actually paid for covering the risk would be payable by the buyer on submission of proof.

The Controller was requested subsequently to confirm that the correct interpretation of his contention was as follows :—

"if and when a state of war is actually declared it will be incumbent on the suppliers to insure against war risks at their cost in respect of c.i.f. orders placed after the particular date of declaration of state of war,—*other than* orders forming part of running or rate contracts entered into before that date."

The Controller stated that the interpretation was correct.

## INSURANCE AGAINST WAR RISK AND CIVIL WAR.

(*See Reports* 1935, *page* 212 ; 1937, *page* 228.)

It was recorded in the preliminary issue of the Chamber's Report for 1937 that information had been received through the Bombay Fire Insurance Association of an agreement made between the British Insurance

Association and the Committee of Lloyds to discontinue granting insurances covering the risks on land of war and civil war. The Committee had pointed out that while the new clause adopted, covered damage arising out of riots and labour disturbances it excluded loss or damage directly caused by the operation of martial law and the military in connection with riots and strikes. It appeared to the Committee that the new clause which had been drafted in England did not take sufficiently into consideration the specific conditions prevailing in this country and they asked the Bombay Fire Insurance Association to take the matter up with the British Insurance Association and the Committee of Lloyds.

In March 1938 the Bombay Fire Insurance Association informed the Chamber that their Committee in consultation with the Fire Offices Committee (Foreign), London, and sister Associations in India had decided to adopt the following alternative clauses for insertion in policies issued under that Association's Riot and Civil Commotion Tariff with effect from 31st March 1938 :—

*Clause A covering Fire damage only.*—"Loss or damage by fire to the property insured directly caused by persons taking part in riots or civil commotions."

*Clause B covering Fire and other damages.*—"Loss of or damage to the property insured (including loss or damage due to fire or explosion) directly caused by persons taking part in riots or civil commotions or by strikers or locked-out workers or by persons taking part in labour disturbances or by persons of malicious intent acting on behalf of or in connection with any political organisation ; also loss of or damage to the property insured (including loss or damage due to fire or explosion) directly caused by the action of any lawfully constituted Authority in connection with the foregoing perils only."

It was pointed out that the wording under Clause A had been simplified but the cover afforded by the standard fire policy endorsed with the said clause did not exclude the risk of fire damage by any of the contingencies which it had been necessary to specify in Clause B.

It was pointed out also that the cover included loss or damage caused by the operation of martial law and by the military in connection with riots, strikes and civil commotions.

It was decided that these clauses would be applied to all new insurances and renewals as from the above date.

## WAR RISK "WATERBORNE" AGREEMENT.

In January 1938 the Bombay Underwriters' Association issued a public notification in which it was intimated that marine underwriters after a prolonged study of the situation had decided that under modern conditions of warfare such widespread destruction of property was possible that the accumulated cargo values at certain ports would create liabilities which even the whole marine insurance market might well be unable to meet.

In this connection it was recalled that non-marine underwriters had ceased to grant war risk cover on shore and marine underwriters proposed to limit the cover granted under a marine contract to the period from the time the interest was loaded on board the overseas vessel until such interest was discharged overside from the overseas vessel or until the expiry of 15 days from midnight of the day on which such vessel was safely anchored or moored at the final port of discharge whichever should first occur. The agreement was to be made applicable to sailings on and after the 1st February 1938, and in order to bring the agreement into force it was decided to give the necessary War Cancellation Notice during the course of the ensuing week under all insurance contracts, it being understood, however, that in respect of sales contracts entered into prior to the 23rd December 1937, permission might be given in such circumstances to grant the existing war risk cover for sailings up to and including 31st March 1938.

It was decided that the agreement come to by marine underwriters would apply to original and reinsurance contracts irrespective of nationality.

For purposes of record the clauses to be embodied in contracts giving effect to the above-mentioned limitation of cover are set out below.

1. Warranted free of capture, seizure, arrest, restraint or detainment, and the consequences thereof or of any attempt thereat ; also from the consequences of hostilities or warlike operations, whether there be a declaration of war or not, civil war, revolution, rebellion, insurrection or civil strife arising therefrom, or piracy.

2. Warranted free of loss or damage caused by strikers, locked-out workmen or persons taking part in labour disturbances, riots or civil commotions.

3. Should the risks excluded by Clause 1 (F. C. and S. Clause) be reinstated in this policy by deletion of the said clause, or should the risks or any of them mentioned in the same clause or the risks of mines, torpedoes, bombs or other engines of war be insured under this policy, then notwithstanding anything in this policy to the contrary,

(*a*) the insurance against the said risks shall not attach to the interest hereby insured or to any part thereof

(*i*) prior to being on board an overseas vessel,

(For the purpose of this Clause 3 an overseas vessel shall be deemed to mean a vessel carrying the interest from one port or place to another where such voyage involves a sea passage by that vessel) ;

(*ii*) after being discharged overside from an overseas vessel at the final port of discharge,

or

after expiry of 15 days counting from midnight of the day on which the overseas vessel is safely anchored or moored at the final port of discharge,

whichever shall first occur ;

(*iii*) at a port or place of transhipment to another overseas vessel after expiry of 15 days (counting from midnight of the days on which the overseas vessel entering with the interest is safely anchored or moored) until the interest is on board the on-carrying overseas vessel.

In the event of the exercise of any liberty granted to the ship-owner or charterer under the contract of affreightment whereby such contract is terminated at a port or place other than the destination named therein such port or place shall be deemed the final port of discharge for the purpose of this Clause 3.

(*b*) this policy is warranted free of any claim based upon loss of, or frustration of, the insured voyage or adventure caused by arrest, restraints or detainments of kings, princes, peoples usurpers or persons attempting to usurp power.

If anything contained in this policy shall be inconsistent with Clause 3 (*a*) and 3 (*b*) or either of them, it shall to the extent of such inconsistency be null and void.

## CHARTER PARTIES.

### Weather Working Days.

(*See Reports* 1910, *page* 88 ; 1936, *page* 249.)

In June 1938 a member requested the Chamber to give a ruling in regard to a notice of readiness. The point at issue was the amount of extra time which should be added to the number of lay days allowed under the charter when any of such lay days was declared a non-weather working day.

After obtaining the opinions of both the Weather Working Days Sub-Committee and the Shipping and Export Sub-Committee the Committee stated that in their opinion the duration of a weather working day was 24 hours commencing at midnight. If one of the lay days covered by a charter other than the first or last day was declared to be a non-weather working day, a period of 24 hours must be added to the time at which the lay days would ordinarily end. If, however, the first of the lay days was declared to be a non-weather working day only the number of hours between the time at which the notice of readiness expired and midnight the same day should be added to the time at which the lay days would ordinarily end. Similarly, if the last of the lay days was declared to be a non-weather working day, the number of hours between the previous midnight and the time at which the lay days would ordinarily expire should be added. The Committee gave the following hypothetical instances to explain the position in each of the above cases.

A steamer had four lay days left when she arrived in Bombay. Notice of readiness was given at 10 a.m. on Monday. Notice of readiness would expire at 10 a.m. on Tuesday. Ordinarily the lay days would end at 10 a.m. on Saturday. If, however, Tuesday was declared to be a non-weather working day, 14 hours (i.e., equivalent to the difference of time between 10 a.m. and midnight) should be added to the steamer's lay day period i.e., the lay days would in that case end at midnight on Saturday instead of at 10 a.m.

Similarly, if it happened that Wednesday (instead of Tuesday) had been declared a non-weather working day, 24 hours would be added to the steamer's lay day period, or in other words, her lay days would be extended to 10 a.m. on Monday (Sunday being a *dies non.*)

If, on the other hand, Saturday had been declared a non-weather working day, the lay day period would be extended to 10 a.m. on Monday, Saturday being a non-weather working day and Sunday a *dies non.*

The same principle would be applied in each case in regard to half weather working days.

## CHARTER PARTIES.

### Commencement of Lay Days.

In October 1938 a member asked for the views of the Chamber in a case in which it was laid down in the charter party that the steamer's lay days were not to commence before 31st May, and that the lay days were to be computed from twenty-four hours after receipt of notice of readiness.

The Captain tendered his notice on Saturday, 28th May, at 8 a.m. The notice was accepted without any special arrangement having been made as to the time the lay days were to commence on 31st May and loading was started without prejudice to lay days. The Chamber was requested to give a ruling as to the time lay days should commence.

The Committee replied to the effect that in their opinion lay day time should begin on the 31st May at the commencing hour of working of the port.

## BURSTING OF THE MONSOON.

On the 13th June 1938 the Meteorologist, Bombay, informed the Chamber that the south-west monsoon set in on the Malabar Coast on the 26th May 1938 and in Bombay on the 2nd June 1938.

## WEATHER WORKING DAYS DURING 1938.

The following days during the monsoon months of 1938 were declared to be half or non-weather working days for vessels in the docks :—

Saturday, 4th June 1938, Half weather working day.
Monday, 6th June 1938, Half weather working day.
Monday, 13th June 1938, Half weather working day.
Tuesday, 14th June 1938, Half weather working day.
Thursday, 23rd June 1938, Half weather working day.
Friday, 24th June 1938, Non-weather working day.
Monday, 11th July 1938, Half weather working day.
Friday, 26th August 1938, Non-weather working day.
Saturday, 27th August 1938, Non-weather working day.
Wednesday, 14th September 1938, Non-weather working day.
Saturday, 1st October 1938, Non-weather working day.
Monday, 3rd October 1938, Half weather working day.
Thursday, 6th October 1938, Non-weather working day.

The Deputy Conservator of the Port, in consultation with a representative of the Chamber, decided that the following were half or non-weather working days for vessels in the stream :—

Monday, 30th May 1938, Half weather working day.
Tuesday, 31st May 1938, Non-weather working day.
Saturday, 4th June 1938, Half weather working day.
Monday, 6th June 1938, Half weather working day.
Monday, 13th June 1938, Half weather working day.
Tuesday, 14th June 1938, Non-weather working day.

Thursday, 23rd June 1938, Half weather working day.
Friday, 24th June 1938, Non-weather working day.
Monday, 11th July 1938, Half weather working day.
Friday, 26th August 1938, Non-weather working day.
Saturday, 27th August 1938, Non-weather working day.
Wednesday, 14th September 1938, Non-weather working day.
Saturday, 1st October 1938, Non-weather working day.
Monday, 3rd October 1938, Non-weather working day.
Wednesday, 5th October 1938, Non-weather working day.
Thursday, 6th October 1938, Non-weather working day.
Tuesday, 8th November 1938, Non-weather working day.

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## GOVERNMENT COMPETITION WITH PRIVATE ENTERPRISE.

### Dapuri Workshops.

(*See Reports* 1925, *Vol. I, page* 314 ; 1926, *Vol. I, page* 328 ; 1927, *Vol. I, page* 228 ; 1928, *Vol. I, page* 258.)

In March 1938 the Chamber received through two of its members a copy of a letter that had been received from the Superintending Engineer, P.W.D., Poona, in which it was mentioned that Government had appointed a Committee to examine the whole question as to how to make the best use of the existing workshop at Dapuri and further stated that it was desired to obtain the view of business people who were concerned with and interested in the running and management of workshops.

In addressing the Superintending Engineer, the Committee pointed out that there had been considerable correspondence between this Chamber and the Public Works Department of the Government of Bombay commencing in 1925 and the policy recommended by the Central Government to Local Governments in regard to competition with private enterprise was that the manufacture of articles obtainable from private producers should not be undertaken in Government Factories unless special military considerations or other special reasons rendered manufacture by Government necessary or desirable, and in furtherance of

this policy the Committee were informed by the Secretary to the Government of Bombay, Public Works Department, that the 10 per cent. concession which had formerly been given to the Dapuri Workshops had been withdrawn since March 1928.

In conclusion, the Committee expressed a hope that Government would restrict the activities of the Dapuri Workshops to the manufacture and repair of articles owned and operated by Government Departments, the storing of surplus plant owned by Government Departments, reconditioning them for issue and the training of apprentices.

No reply was received from the Government of Bombay.

## VERNACULAR EXAMINATIONS.

(*See Reports*, 1931, *Vol. I*, *page* 321; 1932, *page* 299; 1933, *page* 333; 1935, *page* 235.)

In March 1938 the Government of Bombay asked for the views of the Chamber regarding certain proposed changes in the text books used for the examination in *Hindustani* of assistants of banks, mercantile firms, etc.

The Committee informed Government that they saw no objection to the proposed changes provided the new text books did not materially alter the standard of proficiency required from candidates for the examination.

In August 1938 the Government of Bombay forwarded to the Chamber a copy of the revised rules for examination in *Hindustani*. These revised rules came into force on the 1st October 1938 and were placed at the disposal of members interested.

## PAYMENT OF BILLS.

(*See Report* 1937, *page* 243.)

It was recorded in the Chamber's Report for 1937 that as a result of a representation from the Chamber the Bombay Port Trust, the Accountant-General, Bombay,

and His Majesty's Mint had agreed to pay bills due to members by direct remittance. The B. B. & C. I. Railway agreed to send remittances due direct to banks for crediting payees' accounts.

During the year under review the Municipal Commissioner and the G. I. P. Railway also agreed to adopt the former system.

## FORWARD TRADING IN STOCKS AND SHARES AND IN COMMODITIES.

In May 1938 the Government of Bombay informed the Chamber that it had been giving close attention to the study of forward trading in Bombay both in stocks and shares and in commodities generally. This examination had revealed that the existing position was unsatisfactory and that if Government were to exercise effective control over forward trading in the interests of the public it might become necessary for them to amend the law.

The law applicable to contracts for the purchase and sale of stocks and shares was the Bombay Securities Contract Control Act, 1925, section 6, and under this section contracts entered into in violation of the Act and the rules made thereunder were only void but not illegal.

This penalty had unfortunately proved quite ineffective and the experience of the last few years suggested that rules would prove difficult to enforce if the penalty for non-compliance was merely that contracts were void in law. It had been argued from this that forward trading in stocks and shares should be made illegal except when made through recognised associations and the view had been urged that any wilful violation of the rules of such associations should be made punishable with fine and imprisonment. Such an enactment should apply to the whole Province if it was to have any chance of success. It was, of course, not a necessary implication that a close monopoly should be created. In fact, Government would have to make sure that there was a fair field for all persons who might properly follow the

profession of stock-broking. But once it was decided which association or associations should be recognised, the penalty of illegality as opposed to mere voidability of contracts should be invoked.

In dealing with the position regarding commodity markets, it was stated that as in the case of the stock market the penalty of mere voidability attached to contracts made in contravention of the Bombay Cotton Contracts Act (Act IV of 1932), Section 8 and the rules thereunder, had been equally ineffective in the cotton market.

Before deciding their policy in respect of these questions Government desired to ascertain the views of the Chamber on these and cognate questions.

In replying to the Government of Bombay the Committee stated that in their opinion the subject, at least in the cotton trade, was so bound up in the popular mind with that of " unitary control " that they deemed it necessary to advert to that subject also.

It was obvious that " unitary control " could exist in practice without the aid of legislation of any kind. It was equally obvious that unitary control would not necessarily be achieved as a result of legislation on the lines indicated in Government's letter which suggested that Government were considering the introduction of a penal clause into the existing Acts governing the conduct of the stocks and shares market and the cotton market. The Committee considered that such a clause would not assist Government in suppressing gambling. Its only justification would be an attempt, in the interest of the respective markets, to achieve unitary control and, if this were the objective, it would be necessary that only one association should be recognised in each market and, in effect, be given a monopoly. The granting of a monopoly had been recognised as an evil by the Provincial legislature on at least two occasions in the past and the Stock Exchange Enquiry Committee under the chairmanship of Mr. W. B. Morison did not accept the

proposals of witnesses calculated to have the same effect. Moreover, there was no such outstanding merit in any of the associations concerned as to be a reason for waiving the question of principle involved.

The Committee regarded unitary control as the ideal provided it had developed by its own strength and grown into a generally accepted control supported by sanctions devised from the trade itself. Such a state of affairs would normally be expected to exist in any country or district where a given trade had flourished for any considerable period of time. It was evident, however, that unitary control could not be achieved in the Bombay cotton market and share market without the introduction into the Acts governing them of a clause which would have the effect of making illegal what was at the moment merely void in law, namely, a forward contract not made through and subject to the rules of a recognised association. In the Committee's opinion the introduction of such a penal clause into any commercial association was so undesirable that it should be opposed even if such opposition necessarily meant that the ideal of unitary control was abandoned for the time being.

There seemed no doubt that the proposal which Government had placed before the Committee might operate in restraint of trade, and the Committee thought that in the event of a breakdown in the functioning of the Association vested with the monopoly it would undoubtedly cause a dislocation of the entire trade with extremely harmful consequences to all the interests concerned including the growers of cotton. This risk was one which those who had much experience of the cotton trade since the war could not face with equanimity, for, should the cotton futures market of the only recognised association fail to function properly, the trade would be debarred by law from applying its own remedy and working out its own salvation. The same comment would apply to a similar failure of the share market, although with less force.

The Committee also drew attention to the fact that the Bombay Cotton Contracts Act of 1932 had effect only within the City of Bombay and Island of Salsette and even if the Bombay Act were extended to the whole Presidency this would not preclude the possibility of an unrecognised association establishing itself outside the Presidency limits —either in another Province of British India or in an Indian State, e.g., Indore, where there already existed a market which catered for the public. The Committee took the view that the private monopoly in trading supported by penal legislation was a proposal which was entirely unacceptable. If, however, Government were of the opinion that, notwithstanding the objections in principle, the sanction of illegality should be applied to the stocks and shares and commodity markets, the Committee suggested that they should approach the Government of India to take the preliminary steps against the time when Federation would be an accomplished fact and such all-India legislation would be practicable.

## RULES OF THE BOMBAY STOCK EXCHANGE.

(*See Reports*, 1923, *Vol. I, page* 55 ; 1925, *Vol. I, page* 297 ; 1926, *Vol. I, page* 75 ; 1927, *Vol. I, page* 108 ; 1930, *Vol. I, page* 224 ; 1932, *page* 295 ; 1933, *page* 232 ; 1935, *page* 39 ; 1936, *page* 46 ; 1937, *page* 235.)

The Stock Exchange Enquiry Committee, to which reference was made in the Reports for 1936 and 1937, signed a unanimous Report on the 6th March 1937. The recommendations of the Committee fell into two groups, one consisting of those which could be implemented without legislation and the other involving amendments to the Bombay Securities Contracts Control Act.

The recommendations that involved legislation were the following :—

(*i*) the introduction of a compulsory system of margins ;

(*ii*) the abolition of blank transfers ;

(*iii*) the reservation by Government of power to impose rules on the Association ;

(*iv*) the supersession of the Board of Directors in certain circumstances, and

(*v*) the control by recognised associations of ready delivery contracts and the amendment of the definition of " ready delivery contracts."

The recommendations not involving legislation and the orders of Government thereon were as follows :—

(1) The Board of Directors should have only the following powers of intervention in the natural course of the market :—

(1) power to suspend the " buying-in " rule, with the previous consent of Government ;

(2) power to suspend short selling, also with the previous consent of Government ;

(3) (*i*) power to close the market for twenty-four hours ; and

(*ii*) power to keep it closed for any longer period only when the prior consent of Government had been obtained.

(2) Rules in regard to defaulters must be strengthened as follows :—

A. (*i*) Compromise in any shape or form to avoid default should be prohibited ;

(*ii*) A member's failure to fulfil his obligations on the Stock Exchange with a non-member must entail declaration of default.

(*iii*) A defaulter's property outside of the Stock Exchange must also be made available to the Association for the benefit of the creditors.

B. (*i*) A member whose default had been brought about or had been contributed to by speculation on his own account should not be readmitted under any circumstances.

(*ii*) A defaulter who had paid 16 annas in the rupee might be eligible for readmission by the Board if it was satisfied that his conduct in other respects gave rise to no cause for complaint.

(*iii*) In order that the Board might be enabled to deal with the more extreme cases of hardship, it should have powers similar to those possessed by the Committee of the London Stock Exchange, to readmit a defaulter, whose conduct, on examination, was found to be irreproachable and whose failure was proved to be entirely or in the main due to misfortunes, even if such defaulter had paid up only a portion of his liabilities.

(3) The rules in regard to remisiers should be strengthened further by requiring a remisier :

(*i*) to deposit with the Association a sum of Rs. 5,000 ;

(*ii*) to pay an annual subscription to the Association of Rs. 200 ;

(*iii*) to sever his connection with any other business ; and

(*iv*) to produce before the Association a clearance certificate from the broker he left should he desire to work as remisier to another broker.

(4) Speculative dealings for employees must be prohibited, unless they obtained the written consent of their employers.

(5) A. (*i*) a minimum scale of brokerage should be established and enforced strictly ;

(*ii*) concessional scale for large business should operate when the business for account was in excess of Rs. 10,000 and for cash was in excess of Rs. 5,000 in one security.

B. (*i*) Only agency contracts should be issued showing clearly the amount of brokerage charged.

(*ii*) The existing Form A should be amended on the lines of the draft contract form in Appendix V.

(*iii*) If a member instructed another member to execute any business, the latter should receive his remuneration out of and not in addition to the former's commission.

(6) A member who was a partner in a firm should not enter into a contract for the purchase or sale of securities either with a member or a non-member save in the name of the firm and the firm should be liable for the completion of the contract under the rules and regulations of the Stock Exchange.

(7) Transactions for two settlements should be permitted on not more than four days during the currency of one settlement.

(8) The Board of Directors should be elected every year.

(9) The Association should not have overriding powers ; its control over the Board should consist only in its power to refuse to elect men who, in its opinion, were not fit to retain its confidence.

(10) (*i*) The right of nomination should be regarded as personal and non-transferable.

(*ii*) A member of seven years' standing should be entitled to dispose of his card to any eligible person.

(*iii*) A candidate for membership must furnish either three sureties in the sum of Rs. 10,000 each and for two years ; or, in the alternative, a deposit of Rs. 30,000 for the same period.

(*iv*) The annual subscription should be raised to Rs. 100 for an existing member and Rs. 300 for all new members.

(*v*) The privilege of retaining connections with other businesses, given to pre-1926 members should be regarded as personal and terminate with the death or resignation of the member.

(11) (*i*) A subscription of Rs. 200 per annum should be payable in respect of each authorised clerk ;

(*ii*) Relatives should not be employed as authorised clerks in addition to the prescribed number of authorised clerks.

(12) A bid or offer of stock in the market, where the amount was not stated, should be binding to the amount of Rs. 10,000 at the bargain price calculated to the amount nearest to the sum.

(13) Association holidays should be limited to Shree Mahavir Swami's birthday, Jain Samvatsari, and the 21st day of Ramzan.

(14) The public should not be allowed access to any part of the Stock Exchange Building other than the Brokers' offices.

(15) (*i*) The Forward List should be extended so as to widen the area open to legitimate speculation.

(*ii*) The term " The Board of Directors " might be dropped in favour of some more appropriate description such as " Governing Body " or " Managing Committee."

(*iii*) Sundry amendments to the proposed requirements for permission to deal.

(*iv*) Issue of daily and monthly official lists was advisable in the interests of public and of members.

(*v*) List of members might (*a*) show against a member's name the firm to which he belonged ;

(*b*) also indicate members who worked only as brokers and those who worked as principals and brokers.

(*vi*) Fortnightly settlements should be introduced if it was found for any reason impracticable to establish a system of margins.

(*vii*) A rotational system of retirement of Directors may be considered.

With the exception of the recommendation regarding speculative transactions by employees and the recommendation regarding the suspension of " buying in " and short selling, the Native Share and Stock Brokers' Association accepted, with unimportant changes, all the recommendations of the Stock Exchange Enquiry Committee that did not involve fresh legislation.

In March 1938 the Government of Bombay published in the *Bombay Government Gazette* the revised rules of the Native Share and Stock Brokers' Association, and in drawing the attention of the Chamber to these revised rules, particular reference was invited to paragraph 72 (2) of the Stock Exchange Enquiry Committee's Report and the definition proposed by the Native Share and Stock Brokers' Association of a " ready delivery contract."

In replying to the Government of Bombay the Committee at the outset pointed out that the whole object of the enquiry by the Morison Committee was to prevent over-trading. In their opinion the amendments of the rules proposed by the Native Share and Stock Brokers' Association would not entirely eradicate the evil. In particular, they urged the necessity of the introduction of fortnightly settlements. The new rules did not provide either for fortnightly settlements or for the introduction of a system of margins.

When replying to the questionnaire issued by the Morison Committee, the Chamber had expressed the opinion that the Stock Exchange should not be permitted to close entirely except :—

(*a*) on holidays under the Negotiable Instruments Act ;

(*b*) on one day per fortnight for settlement, if fortnightly settlements were arranged, or on one day per month for settlement if monthly settlements were continued, and

(*c*) in the event of a crisis and then only with the previous consent of Government.

Under new Rule 90 (5) (*i*) it was proposed that the Board be given power to close the market on days other than or in addition to the holidays prescribed under Rule 223, provided that such closing should be effective for 24 hours only, and for any further period should be effective only with the previous consent of Government. The Committee again stressed on Government that in their opinion the market should not be closed on any days other than on the prescribed holidays, without the previous consent of Government being obtained.

The Chamber had also recommended that the Stock Exchange should be open for not less than four hours on week days and two hours on Saturdays. Rule 219 provided that the hours of forward business in respect of stocks and shares other than Government securities should be from 12 to 2 p.m. on every business day, and for ready delivery business from 12 to 5 p.m. from Monday to Friday and 12 to 2 p.m. on Saturday. The Committee considered that 2 hours per day was far too short a period for forward business and they were unable to see any valid reason why the Stock Exchange should not be kept open for such business, if not for the same period as for ready delivery business, at least from 12 to 4 p.m. daily, except Saturday, on which it might be kept open from 12 to 2 p.m.

The wording of Rule 222 was ambiguous and the Committee felt that it was not the intention that the Board should be given power to prohibit short selling in all securities but only in certain securities which would be specified at the time of issuing the prohibitory order or obtaining the sanction of Government to the extension of the period of such order. To make the position clear the Committee recommended that for the words ' in any security " appearing in the fourth line of the rule, the words " in any particular security or securities " should be substituted.

The Committee had strong objections to the Board being given power to disallow dealings in shares or securities of companies whose Articles of Association did not secure the non-forfeiture of dividends. As regards Rule 229 (3) (*iii*), it was the practice of most companies to forfeit dividends not claimed within a specified number of years of declaration and the Committee considered that it should be sufficient to lay down that a company must not be permitted to forfeit dividends until at least seven years had expired.

The Committee also had grave objections to and strongly opposed the inclusion of the second part of Rule 229 (3) (*iv*) as they felt that the right should not on any account be taken away from a company to restrict the transfer of its shares.

Under the rules in force at the moment it was permissible for a new company to allot only 33 per cent. of its shares to the public before dealings in the shares were allowed. Under the new Rule 229 (4) it was necessary that at least 50 per cent. of the issue should be allotted. The Committee saw no reason whatsoever for this alteration and they opposed it. They considered that the existing figure of 33 per cent. should be retained.

The Committee were of opinion that once the Board had admitted the shares of a company to the forward list the Board should not have the power to remove the shares from that list except if the company failed to continue to

comply with the conditions laid down in Rule 231 or failed to comply with the undertakings prescribed in Rule 230. The Committee also considered that cash dealings in such shares should not be prohibited under any circumstances. They were aware that the new Rule 232 was merely a reproduction of the old Rule 255, but they felt that Rule 255 should not have been introduced, and as the rules were being revised and an endeavour was being made to bring them more up to date, they considered that Rule 232 should be deleted.

Finally, the Committee were opposed to the definition of a " ready delivery contract " as suggested by the Native Share and Stock Brokers' Association, whereby the term would become applicable only to contracts for the purchase or sale of securities for delivery and payment on the business day next following the date of the contract, as they considered that it was not feasible, in view of the fact that some time must necessarily elapse, and more particularly so in the case of business for account of an up-country seller, between the execution of the order and the receipt of scrip and transfer deeds. Furthermore, such a definition would bring all ready delivery contracts which were not capable of completion on the day next following the date of the contract, within the purview of the rules governing forward contracts. In the view of the Committee the definition as proposed by the Morison Enquiry Committee was entirely adequate.

Certain additional amendments of these rules were published in April, May and October 1938 on which the Committee had no comments to offer. In July 1938 further amendments were published and were accepted without comment, except in the case of the amendment to Rule 170 (*b*), where the Committee informed Government that they were of opinion that a broker should not be permitted to have discretion to charge brokerage on a scale less than that for which the Rules provided.

## ST. GEORGE'S HOSPITAL.

In July 1938 the Surgeon-General with the Government of Bombay announced that it was proposed to close down the St. George's Hospital and make arrangements for indigent Europeans and Anglo-Indians to be treated at the Jamsetjee Jejeebhai Hospital (or other institutions) and that it was intended to call a conference to which the Chamber would be requested to send a representative.

The Committee informed the Surgeon-General that they learnt with considerable surprise that the possibility of closing St. George's Hospital was being considered by Government as they took the view that there was a legal liability on Government to maintain this Hospital, together with the other hospitals mentioned in Schedule U appended to the City of Bombay Municipal Act, III of 1907, *vide* section 10 of the City of Bombay Police Charges Act, III of 1907.

The Committee requested Government to favour them with the following information :—

(*a*) a statement of Government's interpretation of their liabilities in the matter of the maintenance of the Hospital and what steps they proposed to take to effect its closure, together with the reasons which actuated them doing so ; and

(*b*) Government's proposals as regards the arrangements it would be necessary for them to make consequent on the closing of the Hospital.

In October 1938 the Chamber received a reply from the Surgeon-General to the effect that under section 62 (1) of the City of Bombay Municipal Act, 1888, a legal liability was imposed upon Government to maintain the St. George's Hospital, Bombay. This was due to the fact that, as a result of the arrangements sanctioned by the Police Charges Act, 1907, Government undertook to maintain certain hospitals in Bombay City including St. George's Hospital

in consideration of the payment to it of a monthly sum of Rs. 34,541-10-8 by the Municipality. It was stated that actually Government was spending on these hospitals at the moment a larger sum than it received as contribution from the Municipality for their maintenance. Government therefore proposed, in consultation with the Bombay Municipality, to terminate this legal liability so far as it related to the maintenance of St. George's Hospital by undertaking the necessary legislation.

Government gave as their reasons for the proposed closing down of the Hospital:

(*a*) The buildings of the Hospital were antiquated and lacking in modern conveniences. Its uneconomical layout made the expenditure on its maintenance at least 25 per cent. greater than that of a modern hospital with the same accommodation. It was clear, therefore, that the Hospital buildings would have to be scrapped sooner or later and replaced by new ones. Government could not afford the heavy expenditure involved in replacing the existing buildings by new ones, and considered that it would be uneconomical to spend money on this object when there were nearly 370 beds lying vacant in other Government hospitals for want of funds for their maintenance.

(*b*) The closure of the St. George's Hospital would enable Government to open a much larger number of beds in other Government Hospitals where there was a demand for more beds. From the point of view of the public, this would be a great advantage, as the accommodation available at St. George's Hospital had not been fully utilised, whereas in other Government Hospitals there was always overcrowding.

(*c*) It was wrong in principle for Government to maintain a special hospital and nursing home from public revenues for middle and upper class Europeans and other well-to-do persons of European habits of living. The history of the St. George's Hospital showed that it was originally

started in the days of the East India Company primarily to provide accommodation and medical treatment for the Company's European servants and for seamen from ships in the harbour and also (so far as room was available) for such Europeans and Anglo-Indians who were too poor to afford such accommodation and treatment.

The Surgeon-General added that Government proposed to utilise the recurrent savings that were likely to accrue as a result of the closure of the St. George's Hospital and the interest on the capitalised value of the land and buildings of the Hospital in opening vacant beds at the Jamsetjee Jejeebhai and Goculdas Tejpal Hospitals. Necessary arrangements for the treatment of (1) European Government servants, (2) European seamen, and (3) other Europeans and Anglo-Indians who were not well-to-do would be made at the above said hospitals.

The Committee in again addressing the Surgeon-General stated that they ventured to query the facts under paragraphs (*b*) and (*c*) above, which had led Government to propose to terminate their legal liability to maintain St. George's Hospital. They did not believe that the closure of St. George's Hospital would enable Government to open a larger number of beds in other Government hospitals, still less a much larger number of beds. The free accommodation of St. George's Hospital had recently been fully availed of by Indians of Western habits of life and the Committee believed that it could be proved from figures that the cost per bed day at St. George's was, after allowing for the sums received by the Hospital from paying patients, no more, if indeed it was not less, than the cost per bed day in other Government hospitals.

The Committee also ventured to dispute the statement that St. George's Hospital was run as a special hospital and nursing home at the expense of public revenues for middle and upper-class Europeans and other well-to-do persons of European habits of living. They considered that it had been established beyond doubt that patients paying Rs. 8

per day and over covered the full cost per bed day of their treatment in the Hospital and they further believed that the arrangements which Government admitted it would be necessary to make for the treatment in other hospitals of the various classes for whom they admitted liability would be very much higher than the cost of treating the same patients to-day at St. George's.

It was noted that reference was made to recurrent savings which were likely to accrue as the result of the closure of St. George's Hospital and to the interest on the capitalised value of the land and buildings of the Hospital. The Committee stated that from enquiries which they had made, they believed that Government had a very exaggerated idea of the value of the land and buildings. The buildings had in fact no sale value and it would take a long period of years for the site of St. George's Hospital to be developed and sold for half the combined figure at which the land and buildings stood in Government's books.

In view of the foregoing, the Committee found it extremely difficult to appreciate Government's proposal for introducing legislation to terminate their liability to maintain St. George's Hospital and they looked forward to an opportunity of a full discussion of all the points which arose at the conference which Government were proposing to call. The Committee assumed that no decision would be reached before the proceedings of the conference were concluded.

Finally, with a view to facilitating the discussions at the Conference, the Committee requested Government to furnish them with comparative figures of cost per bed day in the St. George's Hospital, the J. J. Hospital and the G. T. Hospital, after taking into account the fees received from paying patients. They also requested to be furnished with the comparative cost to Government of the nursing in the three hospitals as evidenced by Government's contributions over a period of years to each of the three Nursing Associations.

The Committee further requested that delegates to the proposed Conference might be furnished with detailed statements (*a*) of the savings to be effected by the closing of St. George's Hospital; and (*b*) the cost of the necessary arrangements for treatment in other hospitals of :—

(1) European Government servants;

(2) European seamen; and

(3) Other Europeans and Anglo-Indians who were not well-to-do.

Up to the time of writing this Report the information asked for had not been received from the Government of Bombay.

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## KING-EMPEROR'S ANTI-TUBERCULOSIS FUND.

On the 1st December 1937 Her Excellency the Marchioness of Linlithgow issued an appeal for the King-Emperor's Fund, the proceeds of which would be devoted to combating tuberculosis in India. A Committee was formed by His Excellency the Governor of Bombay for giving effect to Her Excellency's appeal in the Bombay Presidency and the Chamber was approached with a view to enlisting the support of members to the Fund. All members were circularised, and as a result a sum of Rs. 63,473-7 was received by the Chamber and forwarded to the local Treasurers of the Fund.

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## HOLIDAYS UNDER THE NEGOTIABLE INSTRUMENTS ACT.

### Late Publication of Lists.

In December 1937 an overseas firm enquired whether it would be possible for them to receive the annual list of public holidays earlier than at present and preferably in September, as firms compiling diaries for friends in India, would naturally wish to include the list of Indian holidays.

The Committee in reply pointed out that this would not be possible as the list of holidays was, in the first place, issued by Government. In most years the Chamber received a copy during the last week of October, although in 1937 it was received late in November. After receipt of the list the Committee of the Chamber authorised the Charter Party holidays and the final information was then printed. This took about a fortnight.

The question of the earlier issue of the list of public holidays was previously represented to the Government of Bombay by the Chamber, and Government stated that the difficulty had been that no Mahomedan almanac was available until the second or third week of October. The Committee, however, again addressed the Government of Bombay on the question, and brought to their notice that publishers of diaries abroad who desired to include a list of Indian holidays for distribution in India complained that the late date of issue prohibited the inclusion of this list. The Committee therefore enquired whether it would not be possible for the list to be issued at an earlier date in future, and if possible not later than the first week in September.

The Government of Bombay in reply stated that the list of holidays for 1938 was issued late as, in view of the adaptations made in Section 25 of the Negotiable Instruments Act, 1881, the point whether the Provincial Government were competent to declare holidays under the Act, was referred to the Government of India and that as it was likely that the power to declare public holidays under the Negotiable Instruments Act, 1881, would be re-delegated to the Provincial Governments by the Central Government, there would be no delay hereafter in respect of the declaration of the holidays in October every year.

As regards the Chamber's enquiry whether the list of holidays could be published by the first week of September every year, Government stated that it would not be possible to do so as the almanacs required for preparing the list

were generally not available before the first week of September. Moreover, as the Associations and individuals to whom draft lists were circulated, on receipt of the almanacs, did not reply promptly, it took about five weeks more to get the final list ready for publication in the *Bombay Government Gazette*.

The list of holidays for 1939 was published in the *Bombay Government Gazette* of the 10th November 1938.

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## EXHIBITIONS AND FAIRS.

Papers in connection with the following Exhibitions and Fairs were received by the Chamber during the year under review and were placed at the disposal of members :—

22nd Swiss Industries Fair, Basle, from 26th March to 5th April 1938.

All-India Industrial and Agricultural Exhibition, Surat from 29th January 1938 to 28th February 1938.

Burma Arts, Crafts and Industrial Exhibition, Rangoon, from 8th March to 20th March 1938.

Budapest International Fair, Budapest, from 29th April to 9th May 1938.

Lyons International Fair, 12th to 22nd March 1938.

Indigenous Toys Exhibition, Commercial Museum and Publicity Department, Corporation of Calcutta, College Street Market, Calcutta, 18th to 27th March 1938.

Glasgow Empire Exhibition, Bellahouston Park, Glasgow, May to October 1938.

Paris Trade Fair, 21st May to 6th June 1938.

59th Canadian National Exhibition, Toronto, 26th August to 10th September 1938.

Textile Machineries and Accessories, Yarns and Fabrics Exhibition, Belle Vue, Manchester, October 12th to 22nd 1938.

British Industries Fair, London, 20th February to 3rd March 1939.

The Levant Fair of Bari, Italy, from 6th to 21st September 1938.

The Mysore Dassera Exhibition, Mysore, from 24th September to 9th October 1938.

Swiss National Exhibition, Zurich, May to October 1939.

Sri Chitra Industrial and Agricultural Exhibition, Trivandrum, during the 3rd week in October 1938.

Grand Fete and Health Exhibition, Lucknow, 15th December 1938 to 15th February 1939.

Behar Exhibition, December 1938.

Brussels International Industrial Fair, 12th to 26th March 1939.

All-India Muslim League Exhibition, Behar Province—December 1938.

Grand Fete and Health Exhibition, Lucknow, 15th December 1938 to 15th February 1939.

Business Machines Efficiency Exhibition, Bombay, one week from 21st November 1938.

Leipzig Spring Fair, 5th to 13th March 1939.

Industrial and Agricultural Swadeshi Exhibition, Benares, 20th December 1938 to 5th January 1939.

All-India Industrial Exhibition, Patna, 27th December 1938 to 25th January 1939.

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## LIST OF ACTS AFFECTING COMMERCE AND INDUSTRY PASSED BY THE INDIAN LEGISLATURE DURING THE YEAR 1938.

### INDIAN.

I. Indian Finance.
II. Indian Companies (Amendment).
III. Dangerous Drugs (Amendment).
IV. Insurance.
VI. Destructive Insects and Pests (Amendment).
VIII. Indian Tea Control.
IX. Workmen's Compensation (Amendment).
XIV. Sugar Industry (Protection Temporary Extension).
XV. Indian Coffee Cess (Amendment).
XVI. Indian Tariff (Amendment).
XVII. Trade Disputes (Amendment).
XX. Criminal Law Amendment.
XXI. Indian Emigration (Amendment).

XXII. Indian Aircraft (Amendment).
XXIII. Indian Tea Cess (Amendment).
XXIV. Employers' Liability.
XXVI. Employment of Children.

BOMBAY.

II. City of Bombay Municipal (Amendment).
III. City of Bombay Municipal Corporation (Extension of Term).
IV. Bombay Provisional Collection of Taxes.
V. City of Bombay Municipal (Amendment).
VI. Bombay Tobacco (Amendment).
VII. Bombay Finance (Amendment).
XII. Bombay Primary Education (Amendment).
XIII. City of Bombay Municipal (Third Amendment).
XIV. City of Bombay Police (Amendment).
XVI. Bombay Special (Emergency) Powers (Repeal).
XX. Cotton Ginning and Pressing Factories (Bombay Amendment).
XXI. Bombay Town Planning (Amendment).
XXII. Bombay Forfeited Lands Restoration.
Bombay Medical Practitioners.
Bombay Industrial Disputes.

## CHAMBER'S ACCOUNTS.

In presenting the Chamber's accounts for the year 1938, the Committee report that there was an excess of income over expenditure of Rs. 12,288-0-10 after transferring to the Provident Fund a sum of Rs. 8,500 to the credit of the sepoys and hamals as a contribution to cover their period of service prior to their being admitted to the benefits of the Fund. This contribution has been made with a view to avoiding claims for retiring gratuities or pensions in future.

Receipts from membership subscriptions show a fall of Rs. 1,290 as compared with the previous year and from Statistical Returns a fall of Rs. 165. The fees from measurements show a drop of Rs. 13,756 while those from weighments show an increase of Rs. 15,930. The total receipts of the Measurement Department show a net increase of Rs. 2,143 over last year.

During the year, the Committee restored to the Measurement Department the bonus of 2 per cent. of the net receipts, which had been discontinued since 1931.

A. McINTOSH,
*President.*

R. W. BULLOCK,
*Member of the Committee.*

C. H. COURTHOPE-MUNROE,
*Secretary.*

BOMBAY, *24th February*, 1939.

# THE BOMBAY CHAMBER OF COMMERCE.

**(Incorporated under the Indian Companies Act, 1913.)**

*Balance Sheet as at 31st December, 1938.*

| LIABILITIES. | Rs. a. p. | Rs. a. p. |
|---|---|---|
| **Outstanding Bills—** | | |
| Bills in respect of Chamber's History, Wheel Tax, Audit Fee, Weighment Expenses, Miscellaneous Printing, etc... | .... | 492 2 0 |
| **Advance Receipts—** | | |
| Subscription to Publications .. | 12 0 0 | |
| Subscription to Special Statistics .. .. .. .. | 63 0 0 | |
| Arbitration Fees and Stamp Duty in connection therewith .. .. .. .. | 200 0 0 | 275 0 0 |
| **Reserves —** | | |
| Menial Staff Provident Fund Provision .. .. .. | 8,500 0 0 | |
| Passage .. .. .. | 1,000 0 0 | |
| Income-Tax .. .. .. | 4,177 8 0 | 13,677 8 0 |
| **Chamber of Commerce Accumulated Fund—** | | |
| Balance on 31st December 1937 .. .. .. .. | 1,64,246 11 4 | |
| *Add*—Excess of Income over Expenditure as per annexed Account .. | 12,288 0 10 | 1,76,534 12 2 |

| ASSETS. | | Rs. a. p. | Rs. a. p. |
|---|---|---|---|
| **Office Furniture—** | | | |
| Estimated value as on 31st December 1928 .. .. | | 7,860 0 0 | |
| Additions up to 1937 .. .. .. .. .. | | 6,753 13 0 | |
| | | 14,613 13 0 | |
| *Less*—Sale Proceeds up to 1935 .. .. .. .. | | 335 0 0 | |
| | | 14,278 13 0 | |
| *Less*—Depreciation written off in :— | Rs. a. p. | | |
| Previous years .. .. .. .. | 11,005 11 8 | | |
| This year .. .. .. .. | 683 2 4 | | |
| | | 11,688 14 0 | 2,589 15 0 |
| **Statistical Furniture—** | | | |
| Cost to 31st December 1937 .. .. | | 3,647 12 0 | |
| Additions during the year .. .. | | 995 0 0 | |
| | | 4,642 12 0 | |
| *Less*—Depreciation written off in :— | Rs. a. p. | | |
| Previous years .. .. .. .. | 3,036 5 0 | | |
| This year .. .. .. .. | 576 7 0 | | |
| | | 3,612 12 0 | 1,030 0 0 |
| **Measurement Furniture—** | | | |
| Cost to 31st December 1937 .. .. | | 78 0 0 | |
| *Less*—Depreciation written off in :— | | | |
| Previous year .. .. .. .. | 3 4 0 | | |
| This year .. .. .. .. | 19 12 0 | | |
| | | 23 0 0 | 55 0 0 |
| **Office Motor Car—** | | | |
| Cost to 31st December 1937 .. .. | | 3,600 0 0 | |
| *Less*—Depreciation written off in :— | | | |
| Previous year .. .. .. .. | 375 0 0 | | |
| This year .. .. .. .. | 935 6 8 | | |
| | | 1,310 6 8 | |
| *Less*—Surplus on sale of old car appropriated for writing down the cost of the new car as per last Balance Sheet .. .. .. .. | | 2,289 9 4 | |
| | | 1,289 9 4 | 1,000 0 0 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | INVESTMENTS. | Value on 31st December 1938 | | | Cost Price. | | |
| | | | | | Rs. | a. | p. | Rs. | a. | p. |
| | | | | 5 per cent. 1939-44 Loan for Rs. 85,300 .. | 86,686 | 2 | 0 | 82,314 | 8 | 0 |
| | | | | 5 per cent. Government Income Tax Free Loan 1945-55 for Rs. 71,000 .. | 82,182 | 8 | 0 | 71,000 | 0 | 0 |
| | | | | | 1,68,868 | 10 | 0 | | | |
| | | | | *Less*—Appreciation .. .. .. | 15,554 | 2 | 0 | | | |
| | | | | | 1,53,314 | 8 | 0 | 1,53,314 | 8 | 0 |
| | | | | 48 Shares in Bombay Telephone Company, Limited .. | | | | 2,130 | 0 | 0 |
| | | | | | | | | | | 1,55,444 8 0 |
| | | | | Interest accrued on Investments .. .. .. .. | | | | .... | | 2,401 11 0 |
| | | | | Stock of Chamber's History .. .. .. .. .. | | | | .... | | 484 0 0 |
| | | | | Advance Payments— | | | | | | |
| | | | | Cash in Transit Insurance Premium applicable to next year .. .. .. .. .. .. .. | | | | .... | | 54 12 0 |
| | | | | Deposit with Government of India Publication Branch .. | | | | .... | | 100 0 0 |
| | | | | Cash and Other Balances :— | | | | | | |
| | | | | In hand .. .. .. .. .. .. | | | | 39 | 8 | 0 |
| | | | | With the Imperial Bank of India, Bombay, Current Account .. .. .. .. .. .. .. | | | | 27,780 | 0 | 2 |
| | | | | | | | | | | 27,819 8 2 |
| Total Rs. .. | .... | 1,90,979 | 6 | 2 | Total Rs. .. | | | .... | | 1,90,979 6 2 |

A. McINTOSH,
*President.*

R. W. BULLOCK,
*Member of Committee.*

BOMBAY, 24*th February*, 1939.

C. H. COURTHOPE-MUNROE,
*Secretary.*

# THE BOMBAY CHAMBER OF COMMERCE.

(Incorporated under the Indian Companies Act, 1913.)

*Dr.* *Income and Expenditure Account for the year ended 31st December 1938.* *Cr.*

| EXPENDITURE. | Rs. | a. | p. | Rs. | a. | p. | INCOME. | Rs. | a. | p. | Rs. | a. | p. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| To— | | | | | | | By— | | | | | | |
| Subscription to Weather and Crop Reports | 51 | 0 | 0 | | | | Membership Subscriptions 1937 | 12 | 4 | 0 | | | |
| Membership Subscription to the Federation of Chambers of Commerce of the British Empire | 28 | 14 | 6 | | | | Membership Subscriptions 1938 | 69,300 | 0 | 0 | | | |
| Membership Subscription to the Associated Chambers | 640 | 0 | 0 | | | | | | | | 69,312 | 4 | 0 |
| | | | | 719 | 14 | 6 | Statistical Returns | 29,240 | 13 | 8 | | | |
| *Chamber Office.* | | | | | | | Special Statistical Returns | 6,445 | 0 | 0 | | | |
| Salaries | 59,281 | 0 | 0 | | | | Statistical Miscellaneous Receipts | 352 | 4 | 0 | | | |
| Rent | 7,200 | 0 | 0 | | | | | | | | 36,038 | 1 | 8 |
| Printing Miscellaneous Papers, Annual Report for 1937, etc. | 4,418 | 8 | 0 | | | | Measurement Fees | 82,563 | 1 | 6 | | | |
| Advertisements | 49 | 12 | 0 | | | | Weighment Fees | 22,882 | 8 | 0 | | | |
| Books and Periodicals | 515 | 3 | 6 | | | | Miscellaneous Receipts | 671 | 0 | 0 | | | |
| Stationery | 1,342 | 15 | 3 | | | | | | | | 1,06,116 | 9 | 6 |
| General Charges | 1,945 | 13 | 9 | | | | Arbitration Fees | .... | | | 340 | 0 | 0 |
| Telephone Charges | 572 | 8 | 0 | | | | Fees for issuing Certificates of Origin, etc. | .... | | | 13,501 | 0 | 0 |
| Fire Insurance Premium | 14 | 1 | 0 | | | | Fees for issuing Certificates of Refraction | .... | | | 109 | 0 | 0 |
| Cash in Transit Insurance Premium | 129 | 2 | 0 | | | | Miscellaneous Receipts | .... | | | 236 | 1 | 0 |
| Contribution to the Provident Fund | 4,958 | 6 | 8 | | | | Dividends | .... | | | 160 | 0 | 0 |
| Law Charges | 333 | 12 | 0 | | | | | | | | | | |
| Audit Fee | 250 | 0 | 0 | | | | | | | | | | |
| Motor Car Upkeep | 2,451 | 7 | 0 | | | | | | | | | | |
| Port Trust Ground Rent | 100 | 0 | 0 | | | | | | | | | | |
| Furniture Depreciation | 683 | 2 | 4 | | | | | | | | | | |
| Motor Car Depreciation | 935 | 6 | 8 | | | | | | | | | | |
| | | | | 85,181 | 2 | 2 | | | | | | | |
| *Statistical Department.* | | | | | | | | | | | | | |
| Salaries | 19,102 | 10 | 0 | | | | | | | | | | |
| Statistical Typists' Salaries | 4,764 | 0 | 0 | | | | | | | | | | |
| Cyclostyling Returns—Cost of Ink, Duplicating Paper, etc. | 3,377 | 2 | 3 | | | | | | | | | | |
| Printing Returns | 8,920 | 0 | 0 | | | | | | | | | | |
| Contribution to the Railways | 2,137 | 8 | 0 | | | | | | | | | | |
| Books and Periodicals | 42 | 0 | 0 | | | | | | | | | | |
| Stationery | 230 | 13 | 0 | | | | | | | | | | |
| Petty Charges | 390 | 11 | 9 | | | | | | | | | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Contribution to the Provident Fund .. | 1,979 | 0 | 0 | | | *Interest on Investments—* | | | |
| Furniture Depreciation .. .. | 576 | 7 | 0 | | | | | | |
| | | | | 41,520 | 4 0 | Taxable .. .. | 4,265 | 0 0 | |
| *Measurement Department.* | | | | | | | | | |
| Salaries (Measurement and Weighment) | 66,868 | 7 | 11 | | | *Less*—Income-Tax .. | 625 | 8 6 | |
| Printing Charges .. .. .. | 2,164 | 8 | 0 | | | | | | |
| Stationery .. .. .. | 135 | 2 | 2 | | | | 3,639 | 7 6 | |
| Telephone Rent .. .. .. | 280 | 0 | 0 | | | | | | |
| Bonus .. .. .. .. .. | 2,079 | 8 | 0 | | | Tax Free .. .. | 3,550 | 0 0 | |
| Petty Charges .. .. .. .. | 461 | 12 | 0 | | | | | | 7,189 7 6 |
| Weighment—Labour and Scales .. | 2,141 | 13 | 0 | | | | | | |
| Furniture Depreciation .. .. | 19 | 12 | 0 | | | Donations received from Members of the Chamber to the King-Emperor's Anti-Tuberculosis Fund as per contra. | .... | | 63,473 7 0 |
| Contribution to the Provident Fund .. | 5,224 | 11 | 1 | | | | | | |
| Pensions and Gratuities .. .. | 240 | 0 | 0 | | | | | | |
| | | | | 79,615 | 10 2 | | | | |
| Monial Staff Provident Fund Provision. | 8,500 | 0 | 0 | | | | | | |
| Passage Reserve .. .. .. | 1,000 | 0 | 0 | | | | | | |
| Income-Tax Reserve 1938-39 & 1939-40. | 4,177 | 8 | 0 | | | | | | |
| | | | | 13,677 | 8 0 | | | | |
| Paid Donations from Members to the King-Emperor's Anti-Tuberculosis Fund as per contra. .. .. | .... | | | 63,473 | 7 0 | | | | |
| Balance, being excess of Income over Expenditure, transferred to Balance Sheet .. .. .. .. .. | .... | | | 2,84,187 | 13 10 | | | | |
| | | | | 12,288 | 0 10 | | | | |
| Total .. Rs. | .... | | | 2,96,475 | 14 8 | Total .. Rs. | .... | | 2,96,475 14 8 |

**REPORT OF THE AUDITORS TO THE MEMBERS.**

We have audited the foregoing Balance Sheet of the BOMBAY CHAMBER OF COMMERCE as at the 31st day of December 1938, and also the foregoing Income and Expenditure Account for the year ended upon that date, and report that—

(*a*) we have obtained all the information and explanations which we have required;

(*b*) in our opinion, the foregoing Balance Sheet and Income and Expenditure Account are drawn up in conformity with the law;

(*c*) such Balance Sheet exhibits a true and correct view of the state of the Chamber's affairs according to the best of our information and the explanations given to us and as shown by the books of the Chamber, and

(*d*) in our opinion, books of account have been kept by the Chamber as required by S. 130 of the Indian Companies Act, 1913.

A. F. FERGUSON & CO.,
*Chartered Accountants,*
*Registered Accountants.*

BOMBAY, *24th February*, 1939.

A. McINTOSH,
*President.*

R. W. BULLOCK,
*Member of Committee.*

C. H. COURTHOPE-MUNROE,
*Secretary.*

# THE BOMBAY CHAMBER OF COMMERCE PROVIDENT FUND.

*Statement of Accounts from 1st January to 31st December 1938.*

| | Rs. a. p. | Rs. a. p. | Rs. a. p. |
|---|---|---|---|
| By Balance at Credit of this account on 31st December 1937 .. | .... | .... | 4,23,965 8 1 |
| *Add*— | | | |
| Subscriptions received from Members .. .. .. | .... | 12,162 1 9 | |
| Contributions paid by the Chamber of Commerce .. .. | .... | 12,162 1 9 | |
| Interest received and accrued .. .. .. .. | .... | 18,492 12 9 | |
| | | | 42,817 0 3 |
| | | | 4,66,782 8 4 |
| *Deduct*— | | | |
| Claims paid to Members (inclusive of interest) .. .. | .... | 24,070 15 6 | |
| Non-refundable withdrawals (Rule 28 (4) ) .. .. .. | .... | 769 12 0 | |
| | | | 24,840 11 6 |
| To Balance at Credit of this Account on 31st December 1938 .. | .... | .... | 4,41,941 12 10 |
| *Add*—Lapses and Forfeitures Balance as at 31st December 1937 .. .. .. .. .. .. .. | .... | 11,111 14 1 | |
| *Less*—Loss on sale of Investments transferred .. .. | | 533 13 0 | |
| | | | 10,578 1 1 |
| | | | 4,52,519 13 11 |

Held thus—

| INVESTMENTS. | Face Value. | Market value on 31st December 1938. | Cost Price. | |
|---|---|---|---|---|
| | Rs. | Rs. a. p. | Rs. a. p. | |
| 2¾ per cent. 1948-52 Loan .. .. .. | 10,000 | 9,925 0 0 | 10,187 8 0 | |
| 3 per cent. 1951-54 Loan .. .. .. | 7,500 | 7,603 2 0 | 7,293 12 0 | |
| 3 per cent. 1963-65 Loan .. .. .. | 1,23,000 | 1,20,540 0 0 | 1,20,886 9 0 | |
| 3½ per cent. 1947-50 Loan .. .. .. | 87,300 | 91,719 9 0 | 85,977 0 0 | |
| 4 per cent. 1960-70 Loan .. .. .. | 1,11,500 | 1,24,113 7 0 | 1,10,576 2 0 | |
| 4½ per cent. 1955-60 Loan .. .. .. | 35,000 | 41,606 4 0 | 35,222 8 0 | |
| 5 per cent. 1939-44 Loan .. .. .. | 70,700 | 71,848 14 0 | 64,241 14 0 | |
| | 4,45,000 | 4,67,356 4 0 | 4,34,385 5 0 | |
| *Less*—Appreciation in value of the above Securities .. .. .. .. .. | .. .. | 32,970 15 0 | | |
| | 4,45,000 | 4,34,385 5 0 | 4,34,385 5 0 | |
| Interest accrued on Investments and Loans .. .. .. | | .... | 4,270 5 4 | |
| Amount due by Members .. .. .. .. .. | | .... | 789 0 0 | |
| Cash with the Imperial Bank of India, Bombay, on Current Account .. .. .. .. .. .. .. .. | | .... | 13,075 3 7 | |
| | | | | 4,52,519 13 11 |

Examined and found correct.

A. F. FERGUSON & CO.,
*Chartered Accountants,*
*Registered Accountants,*
*Auditors.*

A. McINTOSH,
*President.*

R. W. BULLOCK,
*Member of Committee.*

C. H. COURTHOPE-MUNROE,
*Secretary.*

BOMBAY, *24th February*, 1939.

# Report

OF THE

# Bombay Chamber of Commerce

## FOR THE YEAR 1938

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CORRESPONDENCE, DOCUMENTS AND STATISTICS

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BOMBAY:
G. CLARIDGE AND CO., LTD.
1939.

## REGISTRATION OF TRADE MARKS.

**Letter No. 2109/116, dated, 25th July 1938, from the Bombay Chamber of Commerce to the Secretary to the Government of India, Department of Commerce, Simla.**

I am desired to refer to the report on the proposed legislation to facilitate the registration of Trade Marks in India, prepared by Mr. R. K. Nehru, I.C.S. and to forward the views of my Committee thereon, which are as follows.

This is a measure which has been under contemplation by Government and Chambers of Commerce for many years and is one of considerable importance to the commercial community. My Committee welcome the draft Bill which they regard as a long-needed measure not only for the benefit of internal trade but one which will also enable India to enter into reciprocal agreements with foreign countries and thus protect trade marks abroad.

My Committee have given careful examination to the individual clauses of the Bill which are based on the British Act with certain alterations to adapt them to Indian conditions. It would perhaps be well to record here one most important point. The legislation proposed for India conforms with the law in the United Kingdom in that the existing rights of a trade mark owner are undisturbed, and he still has his remedy under the common law in an action for passing-off. Registration *per se* will considerably facilitate the establishment of title.

Most of the clauses in the draft Bill follow exactly the corresponding sections of the British Act and they accept them in their entirety. My Committee have, however, had the opportunity of examining the United Kingdom Trade Marks Act, 1938, which they are informed comes into force on the 27th of July. This is a consolidating Act and it repeals the whole of the Trade Marks (Amending) Act, 1937 and they wish to point out the desirability of the draft Bill being reviewed in the light of this most recent legislation in

the United Kingdom. They would particularly draw Government's attention to the following:—

(1) Clause 17 of the Bill should be amended to conform with Section 4 of the Trade Marks Act, 1938.

(2) Clause 37 of the Bill should be amended to conform with Section 37 of the Trade Marks Act, 1938.

(3) Clause 38 of the Bill should be amended to conform as far as practicable with Section 39 of the United Kingdom Act. My Committee are unaware of the detailed classifications of textiles under the United Kingdom Act but they adhere to the classification recommended further on in this letter under Clause 38.

(4) Sections 6 and 42 of the United Kingdom Act might advantageously be introduced into the Bill.

The remarks that my Committee have to offer on the Bill are chiefly confined to the adaptation of certain important matters to Indian conditions.

*Location of the Register* (*Clause* 3 (1).)—In the draft Bill it is proposed that a record for the registration of trade marks shall be kept at the Patent Office which is situated in Calcutta. My Committee are unanimously agreed that the institution of one Register of Trade Marks for the whole of India is essential, but they are not satisfied as to the desirability of locating this Register either at the Patent Office or in Calcutta.

In the Bill it is suggested that the Register shall be under the control and management of the Controller of Patents, Designs and Trade Marks who would act as the Registrar. This my Committee regard as impracticable. They think that Government perhaps do not realise the very great number of applications for registration that will undoubtedly be received on the introduction of the Act. From Bombay alone some three to four thousand applications can be expected for cotton marks (excluding those, estimated at 1 to 1½ lakhs, for combinations of letters and numerals) and almost as many for dyes, and this is not taking into

consideration the many other classes of goods for which trade marks registration will be applied. They consider, therefore, it is essential that a Special Officer be appointed with the sole duty of acting as Registrar.

If this is accepted, much of the force of the argument in favour of locating the Register in Calcutta falls to the ground, and my Committee would suggest that in virtue of the predominating piecegoods interests in Bombay, in addition to the fact that the bulk of the import trade of India is centred in Bombay and not in Calcutta as is erroneously stated in the explanatory note on Clause 38 (3), the Central Register should be located in this City. If reference is made to the import figures shown in the statements of sea-borne trade for the year 1937-38, it will be found that imports into Calcutta amounted to Rs. 51,60 lakhs and those into Bombay Rs. 73,37 lakhs.

Another point in favour of the main register being in Bombay is that there will then be no need for a special and separate sub-register for the cotton trade.

*Suggested Institution of Sub-Registries.*—After the coming into force of the Act and the institution of the Register, thousands of applications for registration will be received from all over India and many of these applications will be resisted because there exists a great number of concurrent labels and an even greater number of labels of close resemblance. My Committee consider it manifestly desirable that Sub-Registries shall be instituted in all Provincial capitals and Deputy Registrars appointed whose duty will be to attend to registration and through their internal organization arrange for final registration in the Central Register in a manner similar to that proposed under Clause 38 in respect of Cotton Trade Marks.

It is not, in their view, desirable or necessary that applicants for registration of marks should be required to go to the expense of themselves attending, or appointing agents, at the place where the Register is located. On the analogy of a separate sub-registry for cotton trade marks

as is proposed by the Bill my Committee consider it reasonable to claim that sub-registries should be instituted in at least three centres, if not in all Provincial capitals, where applications may be made in respect of all goods and not only cotton goods.

*Appeal to the High Court.*—In Clause 2 (1) (*b*) " the Court " is defined as the High Court of Judicature at Fort William. If, however, the register is located in Bombay this definition will require to be altered accordingly.

My Committee are agreed that appeals should be required to be lodged at the High Court at the place where the central register is situated but, as will be seen later, they propose the introduction of another authority, which they designate " the Tribunal ." between the Registrar and the High Court.

*Suggested Appointment of a Tribunal.*—Throughout the Bill it is provided that appeals against a decision of the Registrar shall lie solely to " the Court." In the United Kingdom an appeal from the Registrar lies to the Board of Trade, but for reasons given on pages 39 and 40 of Mr. Nehru's report it is not thought desirable to make any similar arrangements in India by way of appeal to the Central Government.

The proposed arrangements may be acceptable after the Register has been in existence for a number of years but my Committee are definitely of opinion that they will not meet the needs of the case during the introductory stages.

My Committee have referred in an earlier paragraph to the large number of applications likely to be made and to the fact that many of these will be resisted. They apprehend that if the Bill becomes law in its present form there will be an immense amount of litigation which will last for several years.

Past experience has shown that to get a Trade Marks dispute settled by a High Court takes anything from one to four years. If the proposed procedure is adopted, it will

be many years indeed before the Register can function satisfactorily, and in view of the numerous appeals likely to be made after the passing of the Act my Committee consider more rapid procedure for disposal of them will be necessary than is possible by first appeal to a High Court.

The mass of registration cases my Committee anticipate will turn on the question whether a trade mark is so similar to another that deception is likely to occur. The difficulties are increased when the question is whether a phonetic deception is likely to occur.

To decide such questions, purely legal training is not enough; the judge would, in any case, have to rely on experts, and a good insight into commercial practices is the first requirement. This is the reason why in England the Board of Trade and not the High Courts have been charged to hear certain appeals.

The draftsman of the Bill seems to be well versed in the conditions of the piecegoods trade, but he has apparently no idea as to the number of registration cases that will arise in respect of labels for "rough (sundries) goods." These cases will have to be decided promptly, if the Act is not to unsettle what little order now exists. It is useless to expect the High Court to decide hundreds of registration cases within a year or so.

It seems to my Committee, therefore, most desirable that the Central Government should appoint a "Tribunal" composed of a committee of experts, presided over by a competent Law Officer, whose sole task would be to hear appeals from the Registrar. This does not necessarily mean that this Committee must be a permanent institution. Once the first rush of registration cases and appeals have been disposed of, it might be abolished and the course proposed in the report adopted.

A further advantage of the appointment of such a Tribunal is that it could move about the country and be stationed at different centres from time to time as necessity

arises. By this means also both applicants and opponents would be spared to some extent the heavy legal expenses they would have to face if first appeals lay only to one High Court.

*Definitions.*—If the foregoing proposals are accepted it will be necessary to amend the definition of "the Court" in Clause 2 (1) (*b*) to read "the High Court of Judicature at Bombay." It will be necessary also to define "the Tribunal" and my Committee suggest the following :—

"The Tribunal" means the Tribunal constituted by the Central Government for the purpose of hearing appeals from decisions of the Registrar under this Act.

*Concurrent User* (*Clause* 9 (2) ).—This clause provides that in the event of honest concurrent use or of other special circumstances the Tribunal may permit the registration of marks which are identical or nearly resemble each other, subject to such conditions or limitations as they think it right to impose.

In India there might well be several applicants able to prove such use, their marks having in all probability circulated in different parts of the country without any clash of interests resulting hitherto. My Committee therefore recommend that a mark should be deemed to be common to the trade when there are more than three cases of honest concurrent use.

Having regard to the fact that India is one political entity, my Committee hold that there can be only one Register and one registration authority for the whole of India.

My Committee hold that the registration of trade marks with territorial limitations would not only be a serious hindrance to trade, but that its practical application is well nigh impossible. They therefore recommend that any application for registration should be presumed to be *prima facie* evidence of *bona fide* intention to use the trade mark for the whole of India.

My Committee are aware that under the present law, the rights of the owner of a trade mark do not extend beyond the territories wherein he has established a reputation. The conditions of trade on which this legal doctrine rests have long been overtaken by the development of communications, and they strongly hold that it should not be perpetuated by the Registration Act.

A registered trade mark should be limited territorially only to such an extent as may be necessary to carry out the promise contained in sub-section 2, Clause 16, namely, that registration should not interfere with established rights.

My Committee reject any extension of the principle of territorial limitation. It is indeed their belief that in course of time common-law trade marks will disappear and with them the necessity of limiting trade mark rights territorially.

In their opinion, it is preferable that the principle of " no restriction for registered trade marks " should comprise concurrent users, with the proviso that where there are more than three *bona fide* users of the same trade mark, registration should be refused altogether. Owners of such trade marks would then automatically fall back under common law, and their rights to use these trade marks would automatically be limited to such parts of territories where they have established reputation.

That registration is valid for the whole of India should be a fundamental principle, for the reason that the owner of a registered trade mark whose rights are limited to certain parts of India could not claim international recognition. If a great number of trade marks registered in India come to be limited territorially, the position of the remainder as regards international rights would be seriously jeopardised.

*Assignment and Transmission* (*Clause* 22).—This clause provides that, the present equity rule to the contrary notwithstanding, registered trade marks shall in future be

assignable independent of a goodwill. To this general principle, a safeguard is added to the effect that such assignments must be "in respect of goods for which the trade mark is registered."

My Committee welcome the rescission of the present equity rule, a development which is in accordance with existing legislation in Great Britain and foreign countries. They also approve, in principle, of the safeguard which they consider necessary and equitable.

At the same time, they wish to point out that these proposals, which have been "lifted" without modification from recent United Kingdom legislation, do not take into account the peculiar conditions obtaining in India. They entertain strong misgivings as to how the words "in respect of goods for which the trade mark is registered" will be interpreted by the Courts.

The conditions peculiar to India which they have in mind are best described by an example :

Assuming a firm of boiler-makers in England who have hitherto been selling complete boilers in this country under a trade mark registered to them in India, decide to establish a company in this country for the purpose of assembling in India the parts supplied by the mother firm in England—would an assignment of the Indian trade mark rights by the mother firm to the new Indian company be valid ? The fact that no goodwill is passing will not stand in the way, but it might be argued that the trade marks in respect of goods manufactured in England cannot be assigned to cover goods manufactured in India.

My Committee submit that if such an interpretation were given to sub-section 2 of Clause 22, the value to India of the right to assign registered trade marks without goodwill would be practically nil. My Committee do not think that sub-section 2 should be omitted but they are of opinion that provisions should be made in the Bill to ensure that there shall be no doubt on this point. Section 62

of the United Kingdom Act, 1938, satisfactorily disposes of the difficulties referred to and my Committee strongly recommend that this Section of the United Kingdom Act should be embodied in the Bill.

*Cotton Trade Marks* (*Clause* 38).—If my Committee's recommendation for the main register to be kept at Bombay is accepted the appointment of a sub-registry here will not arise.

If, however, their recommendation is not accepted it becomes necessary to consider the descriptions of cotton goods with which the sub-registry may deal. They consider that the descriptions in 38 (2) are not wide enough and should include, in addition to " cotton yarn, cotton piecegoods and other cotton manufactures, excluding clothing " the following :—

" Art silk yarn and piecegoods, mixtures of art silk and cotton, staple fibre yarns and cloths, silk yarns and cloths, woollen and worsted yarns and cloths, flax, jute and linen cloths".

This in effect would mean that the textiles section would be kept as a separate entity which is in conformity with the international classification as framed by the International Union for the Protection of Industrial Property.

My Committee have no doubt that the details of this Clause will be fully dealt with by the Millowners' Association, Bombay, but there are two sub-clauses—(5) and (8)—which will also intimately concern merchants and dealers in imported piecegoods. As regards the former they accept the provisions of (*a*), (*b*) and (*c*) with regard to line headings. They cannot express any opinion on (*d*), which concerns the registration of letters and numerals or any combinations thereof, before examining the regulations which may be prescribed in this regard.

Sub-Clause (8) envisages the appointment of a Committee of persons versed in the usages of the cotton trade to assist the Registrar or the Deputy Registrar in an

advisory capacity. In considering nominations to this Committee Government will no doubt take full advantage of the experience which the Millowners' Association have gained over a number of years from the maintenance of their own trade marks register. My Committee wish to add their recommendation that the proposed Committee should also include a member or members versed in the by no means negligible trade in imported piecegoods.

*Fees* (*Clause* 39).—My Committee consider that as a general principle the scale of fees charged should be sufficient only to cover the cost of the establishment and maintenance of the Registry and the staff employed, but in the early stages it is necessary also to fix them at a level which will deter applications of other than a *bona fide* nature. When the system has been in force for some time the scale may be revised in the light of experience gained. They recommend that in the first instance the following fees should be charged :—

| | | | |
|---|---|---|---|
| On Application | .. | .. | Rs. 25. |
| On Registration | .. | .. | ,, 15. |
| On Renewal | .. | .. | ,, 15. |

My Committee further recommend that when alterations of trade marks for amendments are permitted under clauses 34, 35 and 36, a fee of Rs. 15 shall be charged.

*Evidence* (*Clause* 49).—This Clause provides that in the absence of any directions to the contrary evidence before the Registrar shall be given by statutory declaration. My Committee are of opinion that this would be unworkable in India where there is no Act as there is in England which makes punishable any false declaration made otherwise than in judicial proceedings. Many contradictory statutory declarations would almost certainly be made and in the absence of any penal sanction the makers of false declarations cannot be proceeded against as if they had committed perjury. The value of a testimony can only be properly decided by cross-examination and my Committee think it

essential that all parties to disputes should be given the right of cross-examination and that decisions should not be taken on statutory declarations alone.

*Reciprocal Arrangement with the United Kingdom (Clause* 58).—This clause relates not only to arrangements between the United Kingdom and India but also between—

(*a*) India and the Government of any part of His Majesty's Dominions or the Government of an Indian State, and

(*b*) India and the Government of any foreign State with which His Majesty may make arrangements in regard to British India.

Reciprocal arrangements between any countries on the basis of the International Convention presuppose the existence of Trade Marks Registers in those countries. The countries who have subscribed to the International Convention all had Trade Marks Registers in existence before they did so and they were therefore able to grant certain rights of priority to trade mark owners within the other subscribing countries. If India were to agree to any reciprocal arrangements immediately this Bill becomes law such arrangements would not in practice be reciprocal as rights would be granted to those other countries which India would not be able to take advantage of until the register is properly established.

My Committee therefore recommend that Clause 58 be omitted from the Bill and that the question of India making reciprocal arrangements with other countries and acceding to the International Convention should be the subject of an amending Bill at a later date when the register in this country is properly established and functioning.

In conclusion my Committee would recommend to Government that they should endeavour to arrive at an agreement with Burma that identical legislation for the Registration of Trade Marks should be introduced simultaneously in that country.

# AMENDMENT OF THE INCOME-TAX LAW IN BRITISH INDIA.

**Letter No. 2135/93, dated 12th August 1938, from the Bombay Chamber of Commerce to the Central Board of Revenue, Simla.**

With reference to your letter, C. No. 250-I.T./38, dated 14th April 1938, I have the honour to forward the views of my Committee on the various clauses of the Indian Income-tax Act, 1938, which are as follows. It may be assumed where no comments are made that the sections and sub-sections are approved.

2. In section 2 of the Indian Income-tax Act, 1922 (hereinafter referred to as the said Act)

(*b*) after clause (6) the following clause shall be inserted, namely :—

"(6A) 'dividend' includes any profit, advantage or gain intended to be paid, credited, or distributed to its shareholders by a company notwithstanding that the company concerned may have capitalised the amounts out of which such payment, credit or distribution is made ; and includes also any distribution out of accumulated profits made on the liquidation of a company to its shareholders.

My Committee are definitely of opinion that bonus shares issued as the result—or to the extent to which they are the result—of capital accretions should not be taxed as income. The definition should be amended to make this quite clear. My Committee consider that there can be little difference of opinion on this point.

In regard to bonus shares issued out of accumulated taxed profits the definition may not be so completely objectionable. Nevertheless my Committee consider that no proper case has been made out for the taxation of such bonus shares as income in the hands of shareholders. It is fundamentally unsound to discourage the creation of irrevocable capital out of accumulated profits. In this respect a prudent corporate body is in the position of a prudent individual and justifies similar treatment. Furthermore, the real market value of the total share capital of a company is unchanged no matter how expressed in nominal terms, and bonus capital provides no cash which can pay income-tax unless the general principle is adopted that *all* increases of market value of shares is potential income and

becomes actual income if and when turned into cash. Such a principle would be foreign to the whole basis of a tax on "income".

If the real intention is to prevent evasion of super-tax by private companies in the control of a few persons it is considered that Clause 24 provides adequate and sufficient safeguards beyond which it would be inequitable to proceed.

CHAPTER 1—CHARGE ON INCOME TAX

4. In section 4 of the said Act, for sub-section (1)....the following sub-section shall be substituted, namely :—

*Proviso.*

"Provided that in the case of a person resident but not domiciled in British India, income profits and gains which accrue or arise to him without British India shall not be so included if they are not derived from a business, profession or vocation and are not brought into or received in British India by him during such year."

As is stated in the Notes on Clauses, the effect of the two Clauses will be—

(1) That the whole of the foreign income of a person resident and domiciled in British India will be taxable whether brought into British India or not.

(2) The foreign income of a person resident but not domiciled will only be liable to tax if brought into British India, except income arising from business, profession or vocation which will be taxable whether brought into British India or not.

My Committee consider that these proposals are fair and reasonable except in one particular. They consider it important that the provisions of the United Kingdom law, which admittedly are being followed, should also be followed in the case of the foreign income of persons domiciled and resident other than income from securities, business, stock, shares or rent. Such income in the U. K. is taxed on the remittance basis, whereas the Bill proposes to tax it on the accruing or arising basis. Except in this one particular the U. K. and British Indian law when amended would be reciprocal, i.e., an Indian living in England would be taxed on the same basis as a British subject living in India and *vice versa*. My Committee attach

great importance to the reciprocal arrangements being as far as possible the same in each country and consider that the necessary amendment should be made to give effect to this view.

4. In section 4 of the said Act (*b*) in sub-section (3) clause (*v*) shall be omitted.

Clause (*v*) of the Act reads as follows :—

"This Act shall not apply to the following classes of income :

"Any capital sum received in computation of the whole or a portion of a pension or in the nature of consolidated compensation for death or injuries or in payment of any insurance policy or as the accumulated balance at the credit of a subscriber to any such provident fund."

My Committee oppose the omission of this clause from the Act, in so far as although its inclusion may not be essential, Statute Law on a matter of this nature is preferable to Case Law.

5. After section 4 of the said Act and in Chapter I the following sections shall be inserted, namely :—

4. (*a*) for the purposes of the Act . . . .

(*b*) A Hindu undivided family, company or firm or other association of persons is resident in British India unless the Central control and management of its affairs is situated wholly without British India.

My Committee have carefully considered the definitions of 'resident' in Clause 5 in so far as they affect individuals and companies. They think that as regards individuals there is no objection to raise, but as regards companies it is to be noted that "a company is domiciled if it is resident" and "is resident unless the central control and management of its affairs is situated wholly without British India."

My Committee are not fully satisfied that the latter definition puts companies registered outside British India in the non-resident class as they ought to be. Does the word 'central' govern both 'control' and 'management ?' The wording of this definition should be such as to leave no doubt or discretion to income-tax officers.

It is suggested that in regard to companies, firms, and associations they should be considered as resident unless the head office is outside British India and the head office should be defined as the place of central control.

## CHAPTER III—TAXABLE INCOME.

10. In section 10 of the said Act . . . .

This Section deals with allowances to be deducted in computing profits for income-tax purposes. If super-tax is to be paid by Companies then in equity it would seem that it should be on the same footing as income-tax, i.e., those who are not liable to super-tax should be entitled to a refund as they are in the case of income-tax and those who are liable to super-tax should be assessed on their income after making allowance for super-tax paid by the Companies in respect of their interest in those Companies.

It is appreciated that there are very real practical difficulties in following this course and that it has more than once been indicated that super-tax in the case of Companies is a tax on limited liability Companies, a Corporation tax.

If this is to be the position and super-tax in the case of Companies is to be retained substantially in its present form, it seems to follow that it should be allowed as a deduction in computing profits for income-tax purposes and that Section 10 (2) should be amended to include among the allowances "Companies Super-tax paid in the previous year." More especially do my Committee press this point of view if the definition of Dividend contemplated by the Bill is to become law. It appears inequitable to construe a company as "shareholders" for the purpose of taxing share issues as "income" and yet to retain the definition of a company as a separate legal entity for the purpose of imposing a "corporation tax" unless that tax is a charge against the profits which will become assessable in the hands of shareholders under the revised definition of "dividend."

My Committee consider a further clause should be added to Clause 10 (2) of the Act, embodying the recommendation made by the Income Tax Enquiry Committee in respect of payments made by Managing Agents of a Company of a proportion of their agency commission to other parties.

The recommendation was that in such cases the payments should be allowed in computing the liability of the Managing Agents and the tax imposed on the recipients of the commission.

10. In Section 10 of the said Act (*b*) in sub-section (2)

(*i*) In Clause (*iii*) the words " where the payment of interest thereon is not in any way dependent on the earning of profits " shall be omitted and to the clause the following proviso shall be added, namely :—

" Provided that no allowance shall be made under this clause in any case for any interest chargeable under this Act which is payable without British India, not being interest on a loan issued for public subscription before the 1st day of April 1938, except interest from which tax has been deducted under Section 18 or, in the case of a firm for any interest paid to a partner of the firm."

The Income Tax Enquiry Committee recommended that in the computation of business profits *bona fide* interest in respect of capital borrowed for the purpose of the business payable to persons other than the proprietors of the business should be allowed whether dependent or not on the earning of profits. They also recommended that where interest was paid in such circumstances that tax could not be deducted, such interest should not be allowable as a deduction in computing profits. The Chamber in commenting pointed out that this would hinder Indian Companies from borrowing in the cheapest market and from taking advantage of such facilities as was offered by the United Kingdom Trade Facilities Act.

My Committee are still of the same opinion.

If the proviso is passed into law it will presumably not apply to interest paid prior to the Act coming into force, e.g., the 1939-40 assessment on 1938-39 profits of a company

which has paid interest on a sterling loan in that year and not deducted tax and my Committee consider that this should be made quite clear.

My Committee have some doubt as to the effect of the proviso in the case of inter branch borrowings of banks and other companies and firms when a branch is situated outside British India, and they are strongly of opinion that the Bill should make it clear that such borrowings are outside the proviso.

10. In Section 10 of the said Act (*b*) in sub-section (2) (*ii*) in Clause (*vi*) (*a*) for the words "original cost thereof to the assessee" the words "written down value thereof" shall be substituted.

This amendment alters the basis upon which depreciation allowance is to be calculated, that is to say from a basis of the original cost to a basis of the original cost less the sums previously allowed for depreciation. They do not agree that any alteration is necessary and in fact they think it undesirable and are strongly in favour of the original basis of original cost being maintained.

My Committee feel that there has been inadequate appreciation of the fact that exceptionally large balances of depreciation available for income tax adjustment have accumulated during past years in many industries and particularly the textile industry. The suggested amendment of the law would result in the restriction of the use of these except in the event of the next six years being profitable to a degree beyond all reasonable expectations. This is a practical consideration of considerable importance to ignore which would be to treat with inequity a large and important industry in this Province.

If Government are not prepared to accept this view then the amended basis of depreciation should apply to new businesses only and not to established businesses. Furthermore they consider it essential that the scale of percentages should be revised in such a manner that the depreciation allowed would approximately provide for the amount to be written off over the actual life of the article

to be depreciated apart from the provisions of (*vii*). There will undoubtedly be many instances where it will be difficult if not impossible to show what the written down value of a particular item sold or discarded is and therefore it will be difficult or impossible to obtain the allowance to which an assessee would be theoretically entitled under (*vii*), e.g., a percentage of 20 would be suitable for a life of say 22 years after which for the first time the amount to be claimed under (*vii*) would become less than 1 per cent. And as the amount of depreciation will thus be necessarily high in early years possibly higher than the profit earned it is equitable that depreciation allowed should be carried forward if necessary to be actually written off in later years. It has been suggested that the " written down value basis " of depreciation if adopted would bring the Indian law in this regard in line with the law in the United Kingdom where there is little or no criticism of its working. My Committee have referred this point to suitable expert Accountancy Authorities in the United Kingdom and the suggestion in regard to the absence of criticism would appear to be without foundation. My Committee is advised that the " written down " basis of computing wear and tear allowances for United Kingdom Income Tax purposes is by no means acceptable either to traders or professional firms and representations have been made from time to time with a view to having it altered but these have always met with a negative reply on the part of the Authorities.

10. Section 10 of the said Act (5) in sub-section (2) ' paid ' means actually paid or incurred according to the method of accounting upon the basis of which the profits or gains are computed under this section ; ' plant ' includes books purchased for the purposes of the business, profession or vocation ; and " written down value " means.....

My Committee consider as extremely petty the inclusion of books under the heading of "plant" particularly when it is realised that technical books may become out of date over a short period. As drafted the company's ledgers would apparently rank as ' plant ' which is manifestly absurd.

18. In Section 18 of the said Act (*d*) after sub-section (3) the following sub-section shall be inserted :—

"(3A). Any person responsible for paying to a person not resident in British India any interest not being 'Interest on Securities' or any other sum chargeable under the provisions of this Act, shall, unless he is himself liable to pay income-tax thereon as an agent, deduct income-tax therefrom at the maximum rate."

A Bank is not, generally speaking, in a position to decide whether individual constituents are non-residents or otherwise as defined in the Bill, and the Banks would be in the position of being held responsible by the Indian Income-tax authorities on the one hand and their constituents on the other hand should they make a mistake of either omission or commission concerning a matter in which they are not in a position to adjudicate.

20. In Section 20A of the said Act for the words "one thousand" the words "two hundred" shall be substituted.

The Income Tax Enquiry Committee advised that the best method to secure the tax due on interest paid to residents in British India was the application of the statutory provision in this section for the rendering by payers of interest of returns of the names and addresses of resident recipients with the amount of interest paid in the year reducing the prescribed minimum to a hundred rupees. The Bill now suggests a minimum of Rs. 200. My Committee are strongly opposed to a limit as low as this and recommend that the existing figure of Rs. 1,000 should be adhered to. The additional labour involved for all companies, and particularly for banks, would be very great and incommensurate with the benefit resulting to the income-tax authorities. They consider that the present figure of Rs. 1.000 should be retained.

24. In Section 23A of the said Act..... (*b*) sub-section (2) shall be renumbered sub-section (1) and for the portion of the said sub-section preceding the proviso the following shall be substituted, namely :—

(1) Where the Income-tax Officer is satisfied

My Committee raise no objection to the provisions of this clause except in so far as they consider that an assessee should not be debarred from appealing to the High Court against the assessment on the grounds that the matter at

that a company is under the control of not more than five persons, and that for any year or period the profits and gains distributed as dividends up to the end of the sixth month after its accounts for that year or period are laid before the company in general meeting increased by any income-tax payable thereon are less than sixty per cent. of the assessable income of the company for that year or period, he shall, unless he is satisfied that having regard to losses incurred by the company in previous years or to the smallness of the profit made, the payment of a dividend would be unreasonable, make an order in writing that the undistributed portion of the profits and gains of the company for that year or period as computed for income-tax purposes shall be deemed to have been distributed as dividends amongst the shareholders as at the date of the general meeting aforesaid and thereupon the proportionate share thereof of each shareholder shall be included in the total income of such shareholder for the purpose of assessing his total income.

issue is a question of fact and not a question of law. The necessity of a special right of appeal in cases of this nature is recognised under Section 33 (A) of the existing Act where an assessment can be referred to a Board of Referees.

The Bill abolishes this special right by omitting Section 33 (A) and in my Committee's view it is essential that persons assessed under the stringent provisions of Clause 24 should be able to get their assessment reviewed by the Courts if they so desire, whether or not the matter at issue is a question of fact or of law.

25. In Section 24 of the said Act to sub-section (1) a proviso is added and for sub-section (2) two sub-sections are substituted.

This clause introduces a change in the Act by allowing the carry forward of business losses. The acceptance of the principle is to be welcomed and my Committee regard the provisions of the clause as reasonable.

30. In Section 26 of the said Act....the following proviso shall be added, namely :—

"Provided that the income, profits and gains of the previous year shall, for the purpose of inclusion in the total incomes of the partners be apportioned between partners who in such previous year were entitled to receive the same."

Under the law as it stands to-day an outgoing partner of a registered firm is not taxed on his income for his last year of partnership but his successor or successors are deemed to have received his share and are taxed on it accordingly. The idea behind this is that the partner who pays tax, on admission to partnership, and/or on the retirement of other partners, on an income which he has never received will be compensated by escaping tax in his last year of partnership. The Act now proposes to alter this principle and to tax individual partners on the shares which they receive. There will thus be an obvious hardship on those persons who on admission to partnership and/or on the retirement of other partners were taxed on the income of the partner they replaced and who under the new proposals will get no set off against this as they will be taxed on their share of the profits for their last year.

My Committee do not think it would be right to oppose the principle to which the Bill gives effect in several places that "the assessment on the profits of the previous year should be made on the person who received the profits." It is therefore difficult to make recommendations as to how relief should be afforded to partners who are penalised by the new provisions. The only accurate way would be to have each affected partner's case examined and re-calculated on the actual income enjoyed. Relief to the extent of over-payment could then be given against future assessments or, in cases where there will be no future assessments, a refund could be given. This procedure would cause a great deal of work to the Income Tax Department and, therefore, Government might consider a provision on the same principle as that underlying Section 25 (3) of the present Act. Sucha provision might exempt affected partners from taxation on their last year's shares of partnership profits.

As regards partners in unregistered firms, it appears to my Committee that hardship has only arisen in cases where partners have had other income in addition to partnership profits. If this is so, it appears that the cases of partners of unregistered firms would require to be examined individually and should not be dealt with by a general relief clause.

The hardship which will be caused is strongly emphasised and it is urged that reasonable provision to meet such cases, should be made. The position will not be met by the suggestion that provision can be made for adjustment in the articles of partnership of individual firms. There will be many cases where partners have left the country and will not pay or have died and cannot pay.

36. Sections 32 and 33 of the said Act.

My Committee have no comments on the amendment as proposed in the Bill. They would, however, desire to refer to sub-section (3) of Section 32 of the Act, which reads as follows :—

" In disposing of the appeal the Commissioner may, after giving the appellant an opportunity of being heard, pass such orders thereon as he thinks fit "

and sub-section (2) of Section 33 of the Act :

" On receipt of the record, the Commissioner may make such enquiry or cause such enquiry to be made and subject to the provisions of this Act, may pass such orders thereon as he thinks fit."

It would appear that when a refund is made as a result of such orders there is no provision for interest to be paid. Under the existing Section 66 (7) of the Act this is allowed for, and we recommend that a proviso on the following lines should be inserted in Sections 32 and 33 :—

" Provided further that if the amount of the assessment is reduced as a result of the passing of such orders, the amount over-paid shall be refunded with such interest as the Commissioner may allow."

42 (1). Section 38 of the Act . . . for clause (3) the following clause shall be substituted :—

"Require an assessee to furnish a statement of the names and addresses of all persons to whom he has paid in any year rent, interest, commission or the like amounting to more than Rs. 200 . . . ."

My Committee's remarks under Clause 20 and Section 20 of the Act similarly apply. They consider that the present figure of Rs. 1,000 should be adhered to.

## CHAPTER VII—REFUNDS.

53. In Section 49 of the said Act (*a*) in sub-section (1) (*ii*) the following proviso shall be added :—

"Provided that in no case shall the rate at which such refund is calculated exceed half the Indian rate of tax appropriate to the income of the person entitled to relief."

The Bill now provides in the case of double income-tax relief that the rate at which refund is calculated shall not exceed half the Indian rate of tax appropriate to the income of the person entitled to relief. My Committee consider that it is not possible to oppose this provision but would point out that under the existing system cases have occurred where companies have been assessed on a different basis in the two countries and, in consequence have had to pay more than the higher rate, and they foresee that the proposed amendment may aggravate the position.

In Section 49 of the said Act (*b*) after sub-section (1) the following sub-section shall be inserted, namely :—

"(3) Where a shareholder has received a dividend from a company which has paid Indian income-tax or United Kingdom income-tax, he shall be deemed in respect of such dividend himself to have paid Indian income-tax (but not super-tax) or United Kingdom income-tax, as

If under this new proposed sub-section the words "the amount of income on which the Company has paid such income-tax" only relate to income of the particular year, my Committee consider that the sub-section should be amended so as to include also the amount of income on which the Company has paid income-tax in previous years to the extent to which the dividend consists of such income.

the case may be, on so much of such dividend as bears to the whole the same proportion as the amount of income on which the company has paid such income-tax bears to the whole income of the company."

My Committee have in mind cases where the whole or a part of a dividend may be paid out of a Dividend Equalisation Fund or a carry forward or some other fund created out of profits taxed in the past.

60. (1) The Central Government may, by notification in the *Gazette of India*, make an exemption, reduction in rate or other modification in respect of income-tax in favour of any class of income, or in regard to the whole or any part of the income of any class of persons.

My Committee recommend that provisions of Notification No. 47 published in the *Gazette of India*, dated 9th December 1933, be extended to include all companies and that the Bill should include provisions to that effect as they are of opinion that the matter should be dealt with in the Statute and not by notification. This recommendation is to give effect to the view that Companies should not be liable to pay super-tax on dividends received from other Companies who have already themselves paid super-tax on the profits out of which the dividends are paid. The notification referred to above only exempts Investment Trust Companies as therein defined.

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## CONSOLIDATION AND AMENDMENT OF THE LAW RELATING TO MOTOR VEHICLES.

**Letter No. 1450/185, dated 30th May 1938, from the Bombay Chamber of Commerce to the Secretary to the Goverment of Bombay, Home Department, Bombay.**

With reference to your letter No. 8324/3-111/E., dated the 25th April 1938, I write to inform you that my Committee have carefully examined the terms of the Motor Vehicles Bill, 1938, and I am desired to submit their comments as follows :—

The Bill is designated " A Bill to consolidate and amend the law relating to motor vehicles," but in the " Statement of Objects and Reasons " it is made clear that

the Bill has been framed with the intention of serving dual purposes, viz.—

(1) to legislate for the regulation of motor vehicles.

(2) to provide for the co-ordination of road and rail transport.

In the opinion of my Committee, the law relating to the regulation of motor vehicles and the co-ordination of different forms of transport in the interests of the country as a whole are two distinct and fundamental issues of major importance which cannot, at this stage, be dealt with adequately in a single legislative measure without risk of public interests being made to suffer in one direction or another.

In regard to that aspect of the Bill which deals with the regulation of the use of motor vehicles, my Committee are in substantial agreement with the measures proposed. Certain amendments which they wish to recommend are referred to later in this letter.

In regard to those parts of the Bill which provide for the co-ordination of Motor Vehicles and other forms of transport, my Committee are of opinion that the proposals should be rejected as unsuitable for inclusion in a Bill which does not provide for the control of other forms of transport.

My Committee do not wish to suggest that co-ordination of all forms of transport is undesirable. They are firmly of opinion that co-ordination is desirable. But they are equally of opinion that this co-ordination should be provided for by measures which are not merely a section of a Bill which has the primary function of regulating the use of Motor Vehicles.

More particularly does it appear to my Committee that the fixing of rates envisaged by Section 44 (2) suggests as a condition precedent the functioning of an independent tribunal with power to examine and co-ordinate all forms of public transport. It is undesirable that an Authority

created by an Act to regulate Motor Vehicles and charged with the responsibility of considering the cost of operation and the facilities provided by the transport working under the Act should also be charged with the responsibility of safeguarding the interests of other forms of transport.

The development of the cheapest and most flexible system of transport is clearly of the greatest possible commercial importance. The co-ordination of all forms of transport to that end requires full consideration of every relevant factor of cost, general public interest and public safety, which may affect the issue. And my Committee are of opinion that many important aspects of the problem of co-ordination cannot be dealt with adequately under an Act which deals with one form of transport only.

With these general considerations in mind, my Committee comment in detail as follows. Where no comments are made it may be assumed that the Sections and Schedules are approved.

## Chapter I—Preliminary.

1. (3) Chapter VIII (Insurance Regulations) shall not have effect . . . until the expiry of 5 years from the commencement of this Act, unless before such time the Provincial Government by notification in the Official *Gazette* so directs.

1 (3). My Committee are satisfied that compulsory third party insurance is a measure of control over motor transport which is legitimate in the general interests of the public and a condition implicit in the use by motor vehicles of public highways which cannot be reserved for the exclusive use of fast moving traffic. They recommend therefore that the insurance provisions of the Bill should be made mandatory for all Provinces from a given date, not less than three years after the Act comes into force.

My Committee are opposed to the permissive provision on this Clause not only because it leaves the way open for delay in bringing in compulsory third party insurance for five years on the part of Provinces, but also because it

will tend to increase the differences in measures of control of motor transport between Provinces during those five years and in this way add unnecessarily to the restrictions which the Bill seeks to impose upon the use of motor transport generally.

2. (3) "Contract carriage" means a motor vehicle which carries passengers for hire or reward from one point to another without stopping to pick up or set down passengers along the line of route under a contract expressed or implied for the use of the vehicle as a whole at or for a fixed or agreed rate or sum and includes a motor cab notwithstanding that the passengers therein may pay separate fares.

My Committee consider that this definition is unnecessarily restrictive, since it would compel all members of a party wishing to travel by a contract carriage to enter and leave the contract carriage at the same point, whereas a party for a contract carriage journey may frequently consist of individuals living some distance apart.

They suggest the following definition in lieu of that given in the Bill.

"Contract carriage" means a motor vehicle which is let or plies for hire or reward for the carriage of passengers, but which, during any time in which it is so let, does not also ply for hire or reward.

My Committee recommend that the following additional definitions should be appended to this Chapter to cover the following points :—

(1) Private buses, such as school buses, which do not normally ply for hire or reward from the public, should be defined separately, with a view to giving them the same privileges as motor cars so long as their use is confined to specified private purposes.

(2) A "police officer" should be defined since the reference to this officer in the Bill leaves doubt as to which grade of police rank and file is intended by the term "police officer."

The wording of the Bill as at present drafted appears to relate exclusively to personal owners of transport vehicles and no mention is made of the case of Company ownership. They recommend that provision should be made under all relevant sections to include companies.

CHAPTER II—LICENSING OF DRIVERS OF MOTOR VEHICLES.

9. (2) This provides that a driving licence issued by an Indian State or a French or Portuguese Settlement bounded by India shall ordinarily be effective throughout British India so long as the holder is a *bona fide* resident of the State or Settlement concerned.

9 (2). My Committee consider that licences issued to *bona fide* residents of Indian States and foreign settlements, should only be valid in British India for the residents of those States and Settlements which offer reciprocal treatment to residents of British India.

15. (1) A Provincial Government may in its discretion make an order declaring any person disqualified for holding or obtaining a licence in the Province.

My Committee recommend that the reasons for disqualification for holding a licence shall be provided in writing to the person disqualified.

21. Power to make rules.

My Committee suggest that it might be of advantage and save much expense if the Government of India were to draw up a set of model rules as a guide to the Provincial Governments who should be requested to adopt them wherever suitable. These rules could be prepared not only for Section 21 of the Bill but also for the following Sections 39, 64, 67, 89 and 105.

CHAPTER III—REGISTRATION OF MOTOR VEHICLES.

28. (2) Subject to the provisions of Section 23 and to any prescribed conditions, a motor vehicle registered by a competent authority in

My Committee recommend that this clause should be made to apply only to those Indian States and French Settlements which

any Indian State or in the French or Portuguese Settlements bounded by India shall not require to be registered in British India and any certificate of registration issued by any such authority in respect of such vehicle shall be effective throughout British India as if it were a certificate of registration issued under the Act.

extend the same privileges to vehicles registered in British India.

35. (3) Special requirements for registration of transport vehicles.

After the said date (31st December 1938) no transport vehicle other than a motor cab, and no chassis capable of being used in the construction of such vehicle shall be imported into British India unless the documents referred to in sub-section (1) is produced to the Customs Collector at the Port of Entry. (Form (*f*) as set forth in the First Schedule signed by the maker.)

My Committee recommend that this clause should be deleted on the grounds that it is not necessary to produce the certificate before the Customs Authorities, because in any event the certificate has to be produced before the Registering Authority.

## CHAPTER IV—CONTROL OF TRANSPORT VEHICLES.

(This Chapter lays down that all transport vehicles should have permits and specifies the conditions of permit, etc.)

My Committee strongly oppose any restrictions being placed upon private vehicles in respect of the class of goods which they may carry or the area in which they may operate except only those restrictions which may be necessitated by the condition of the roads on which the vehicles are to travel.

40 (3) (*d*) states that sub-section (1) requiring possession of a permit shall not apply to any transport vehicle used solely for the conveyance of corpses.

It is presumed that the word "corpses" applies only to human corpses, but this should be specifically stated.

41 (1) and (2). Subsection (1) makes the appointment of Regional Transport Authorities mandatory, whilst subsection (2) provides for Provincial Transport Authorities which are permissive to co-ordinate the activities of Regional Authorities to perform if they think fit the duties of Regional Authorities in respect of routes common to two or more regions and to discharge such other functions as may be prescribed.

My Committee recommend that the setting up of Provincial Transport Authorities should be mandatory and that of Regional Transport Authorities should be permissive, but they desire to emphasize that the areas of the latter should be as large as possible.

41 (3). A Regional or Provincial Transport Authority shall be constituted in one of the following manners :—

(*a*) as a tribunal consisting of one or more members being officials in the service of the Provincial Government ;

(*a*) My Committee do not consider that a Regional Transport Authority should be constituted solely of officials in the service of the Provincial Government as they think it unlikely that such officials will have suitable qualifications and the necessary technical knowledge to deal unaided with the various transport matters which may arise.

(*c*) as a body of officials and non-officials including at the discretion of Provincial Government representatives of persons or undertakings engaged in the business of transport.

(*b*) My Committee have no objection to the inclusion of Provincial Government officials on a body composed otherwise of representatives of road transport undertakings, but they have very strong objections to representation being given on the Authorities to forms of transport over which the Authorities are granted no powers of control under the Act. They therefore recommend that Clause 41 (3) of the Bill should be amended to read as follows :—

" A Provincial or Regional Transport Authority shall be a body of officials and non-officials including representatives of persons and/or undertakings engaged in the business of transport carried on within the jurisdiction of the Authority so constituted, but shall exclude the representatives of those persons and/or undertakings engaged in the business of transport over which such Transport Authority has no powers of control or regulation."

41 (4). Subject to the provisions of Clause (*b*) of sub-section (3) no person who has any financial interest in any transport undertaking shall be appointed as a member of a Regional or Provincial Transport Authority and if any person being a member of any such Authority acquires a financial interest in any transport undertaking. he shall within four weeks of so doing give notice in writing to the Provincial Government and shall thereupon vacate office.

The disqualifying provisions of this sub-clause presumably refer to members of tribunals set up in accordance with sub-clause 41 (3) (*a*) but as my Committee are opposed to Provincial and Regional Authorities being constituted solely of officials, they are in favour of this sub-clause being deleted together with 41 (3) (*a*).

44 (1). Last para.
A Regional Transport Authority . . . shall also take into consideration any representation made by persons already providing transport facilities along or near the proposed route, etc.

My Committee recommend that the word "road" be inserted between "providing" and "transport" in the 2nd line of this paragraph.

44 (1). A Regional Transport Authority shall in deciding whether to grant or refuse a stage carriage permit, have regard to the following matters, namely :—

(*a*) the interests of the public generally including those persons requiring and of persons providing facilities for the transport of passengers.

My Committee recommend that the words "by road" be added at the end of this sub-section.

(*c*) the adequacy of existing passenger transport services between places to be served, the fares charged by those services and the effect upon those services of the service proposed.

My Committee recommend that the word "road" should be inserted in each case before the word "services" occurring in this sub-section.

44 (2). If it appears to the Regional Transport Authority that it is necessary or desirable in the

This clause permits the Regional Transport Authority to fix maximum or minimum fares, provided

public interest that the Regional Transport Authority should fix the maximum or minimum fares for any service which the applicant proposes to provide under the permit, the Regional Transport Authority may, after due enquiry, fix such fares and make it a condition of the permit that fares shall be charged accordingly.

Provided that in no case shall the maximum or minimum fares be so fixed as to be unreasonable or so as, having regard to the cost of operation and the facilities provided to give one permit holder or one form of transport any undue preference over another form of transport.

that the fares so fixed do not appear unreasonable in regard to the cost of operation or give undue preference over other permit holders or other forms of transport. The inherent difficulties arising are, firstly, the control in practice of the fares which are charged, and secondly the fact that whereas the Regional Transport Authorities only have control over road fares, they are charged with the duty of fixing fares so that one form of transport shall not have undue preference over another. This provision would appear to create a position detrimental to the country's normal development of communications and means that new and cheaper forms of transport may be deprived of such advantages as they may possess of cheaper running costs. My Committee recommend that the only onus that should be laid upon the Regional Transport Authority should be to see that the fares charged are not extortionate but that if a minimum is fixed, the basis of such fare should be the cost of providing the transport facilities.

45 (*d*) (8). A Regional Transport Authority may . . . attach to a stage carriage permit . . . any one or more of the following conditions . . . . that passengers shall not be taken up or shall not be set down at or except at specified points.

My Committee do not consider that there should be any restriction on the taking up and putting down of passengers outside Municipal areas, except in places where it is dangerous for vehicles to stop or restrictive to other traffic.

47. A Regional Transport Authority shall in deciding whether to grant or refuse a contract carriage permit have

My Committee recommend that para. (*b*) should be inserted before para. (*a*), in so far as the point of major importance for the Regional

regard to the following matters, namely :—

(*a*) the extent to which additional contract carriages are necessary or desirable ;

(*b*) the needs of the region as a whole in relation to the provision of passenger carrying transport.. . . and the co-ordination of all forms of passenger carrying transport.

Transport Authority to consider is the need of the region as a whole in relation to the provision of passenger carrying transport and of secondary importance only, the extent to which additional contract carriages are necessary or desirable. Furthermore, they do not understand how contract carrying which provides for special occasions only, can be co-ordinated with other forms of transport, and therefore, suggest the deletion of the last sentence in para. (*b*), i.e., from the word "and" in the penultimate line to the word "transport" in the last line inclusive.

They also recommend that in Sub-section (*b*) in the second line the word "road" should be inserted before the word " transport."

And shall also take into consideration any representations . . . made by persons already providing passenger transport facilities . . . within the region.

47. (last para.) My Committee consider that the word "road" should be inserted before the word " transport."

48. A Regional Transport Authority may—

(*e*) impose any other condition on the use of a contract carriage which may appear desirable in the public interest.

This clause is a very wide one, but in so far as the right of appeal is permitted under Section 60, my Committee raise no objection to its inclusion in the Bill.

50 (1). A Regional Transport Authority shall in deciding whether to grant or refuse a private carrier's permit have regard to—

(*b*) the desirability of limiting long distance transport of goods by road where reasonable facilities for such transport already exist.

50 (1) (*b*). It is here stated that the granting or refusal to provide a private carrier's permit may be dependent on the desirability of limiting long distance transport of goods by road where reasonable facilities for such transport already exist and that the vehicle for which the permit is required is "*genuinely*

*necessary.*" My Committee consider that the words "genuinely necessary" would stultify most of the development of the trade by road to new areas. This clause is not a permissive clause and my Committee oppose its inclusion in the Bill as it is entirely contrary to the development of trade and the benefit of the country in general.

50 (2). The Regional Transport Authority may in granting a private carrier's permit impose conditions to be specified in the permit relating to the description of goods which may be carried or the area in which the permit shall be valid or the maximum laden weight of any vehicle used.

My Committee are of opinion that genuine private vehicles will not want to carry all manner of goods and owners could reasonably be expected to specify the goods which they would normally carry and explain if called upon to do so why they are carrying goods which are not specified in their permit. Similar remarks apply to the area in which the permit shall be valid provided the area is that declared by the applicant as the one in which he intends to operate. My Committee, therefore, do not desire to amend this sub-section.

51. Application for a public carrier's permit shall contain—

(*d*) the classes of goods which it is proposed to carry.

My Committee raise no objections to the particulars called for under this clause being made compulsory in an application, if they serve any useful purpose, but they oppose the restrictive powers sought to be imposed in regard to certain of them in clauses 52 and 53.

52. A Regional Transport Authority shall in deciding whether to grant or refuse a public carrier's permit have regard to the following matters, namely :—

(*a*) the interests of the public generally including those of persons requiring

My Committee recommend that the words "by road" should be added after the words "goods." My Committee recommend the insertion of the word "road" between "existing" and "transport" in the first line and between

and of persons providing facilities for the transport of goods.

(c) the adequacy of existing transport services for the carriage of goods upon the routes or within the area to be served and the effect upon those services of the service proposed.

"those" and "services" in the penultimate line.

52 (e). The desirability of eliminating transhipment in the transport of goods of a perishable nature and in the transport of other goods over short distances.

It is here stated that the granting of a public carrier's permit shall be considered with regard to the desirability of eliminating transhipment in the transport of goods of a perishable nature and in the transport of other goods over short distances. My Committee recommend that this sub-clause should be enlarged and specifically include fragile goods in addition to perishable goods : also live stock and goods liable to suffer damage from transhipment, e.g., liquids and semi-liquids, such as ghee, oil and tar.

My Committee further recommend that Transport Authorities should be made responsible for modifying all restrictive measures which tend to impose unnecessary transhipment of goods at the borders of Regional areas and for facilitating the passage of vehicles freely from one Region to another.

52. Last para.
A Regional Transport Authority . . . . shall also take into consideration any representations made by persons already providing transport facilities along or near the proposed routes, etc.

My Committee recommend inserting the word "road" between the words "providing" and "transport" in the second line of this para.

53 (b). The Regional Transport Authority . . . may attach to the public carrier's permit all or any

This clause authorises the Regional Transport Authority to attach the condition to a public

of the following conditions, namely :—

(*ii*) that certain specified classes of goods only shall be carried.

carrier's permit that certain specified classes of goods only should be carried. My Committee do not accept this and suggest that the provisional condition should be that "certain specified classes of goods shall not be carried."

(*iii*) that goods shall only be carried for specified persons.

My Committee are strongly opposed to the suggestion that goods should only be carried for specified persons. This restriction is not a practical one and in any case contrary to the whole idea of public carrying and likely to stultify trade and transport.

(*iv*) that the laden weight of any vehicle used shall not exceed a specified maximum.

My Committee recommend that the words "laden weight" should be deleted and replaced by the words "axle weight."

(*vi*) The Regional Transport Authority may after consideration of matters set forth in Section 52 attach to a public carrier's permit . . . the following conditions (*vi*) any other condition appropriate . . . . with a view to prevent uneconomic competition.

My Committee recommend that the words "between road services" be added to the end of sub-clause (*b*) (*vi*).

54 (5). When any objection or representation such as is referred to in Sub-section (3) (Stage carriage and public carrier's permits) is made, the Regional Transport Authority shall dispose of the application at a public hearing at which the applicant and the person making the objection or representation shall have an opportunity of being heard.

My Committee recommend that after the word "person" in this sub-section the words "or duly authorised representative" should be added.

54 (7). When a Regional Transport Authority refuses an application for a permit of any kind, it shall, if so required by the applicant give to him in writing its reasons for the refusal.

My Committee consider that if the reasons for a refusal of an application are not to be furnished to applicants in all cases a fruitful source of misunderstanding will be created. They recommend therefore that in this sub-section the words " if so required " should be deleted.

55 (2). A permit may be renewed on an application made and disposed of as if it were an application for a permit.

My Committee do not consider that application for the renewal of a permit should be treated altogether on the same basis as that for a new permit. The holder of the old permit has already established a service and has earned a certain goodwill, and unless he has contravened any of the conditions he is obliged to observe or has otherwise failed in his obligation to the public as a provider of transport, the renewal of his permit should be, as far as possible, a matter of formality, otherwise a transport carrier can feel no security whatever in his investment.

57 (2). Where a Regional Transport Authority cancels or suspends a permit it shall, if so required by the holder of the permit, give to him in writing its reasons for the revocation or suspension.

My Committee recommend that the words " if so required " be deleted from this paragraph, for the same reasons as those given in respect of Sub-clause 54 (7).

59 (1). Except as may be otherwise prescribed a permit granted by a Regional Transport Authority of any one region shall not be valid in any other region, unless the permit has been countersigned by the Regional Transport Authority of that other Region.

The countersigning of permits issued by one Regional Transport Authority implies the application of additional fees. My Committee consider that the amount of fees for countersigning should be nominal and that a permit countersigned by a Regional Authority shall remain valid in the region of the countersigning authority until the date of expiry of the original permit.

59 (4). Notwithstanding anything contained in Sub-section (1) a Regional Transport Authority of one region may issue a temporary permit under Sub-clause (1) of Clause (*b*) of Section 58 to be valid in another region with the concurrence of the Regional Transport Authority of that other Region.

My Committee recommend that after the words "Sub-clause (1) of Clause (*b*) of Section 58" there shall also be added the words "and Sub-clause (*iii*)." This would make it possible for the Regional Transport Authority to issue a temporary permit to be valid in another region in case of particular temporary need without the delay inevitable in obtaining the countersignature of an adjoining Regional Transport Authority under Section 59 (1).

60. (This clause deals with grounds for appeal).

This clause deals with grounds for appeal. My Committee suggest that a further paragraph should be added to read as follows :—

"(*e*) aggrieved by the refusal of a Regional Transport Authority to countersign the permit granted to him by another Regional Transport Authority or by any condition attached to the permit by the former authority."

61. (This clause restricts hours of work of drivers).

My Committee consider that an additional clause should be added to Section 61 to cover the restriction of hours of work of drivers in urban areas and submit the following :—

(*d*) *For Town or City Services.*

8½ hours may be worked in a straight through duty, provided that time is allowed for signing on and for looking over the vehicle and for lay-over totalling in the aggregate to at least 45 minutes (or forty minutes if the period of duty does not exceed eight hours)."

## Chapter V—Construction, Equipment and Maintenance of Motor Vehicles.

67 (2). Power of Provincial Governments to make rules—
(*d*) the use of safety glass.

My Committee are in favour of the use of safety glass as front glass being made compulsory throughout British India for all cars registered after a certain specified date, which shall not be earlier than five years after the Act comes into force.

## Chapter VI—Control of Traffic.

69 (1). Except as may be otherwise prescribed no person shall drive or cause or allow to be driven in any public place any motor vehicle or trailer :—

(*a*) the laden weight of which exceeds 12,500 lbs. avoirdupois.

(*b*) the axle weight of any axle of which exceeds 9,000 lbs. avoirdupois.

This section sets out the maximum weight of vehicles permitted to be driven in any public place. My Committee recommend the deletion of this sub-section (*a*) on the grounds that the basis of laden weight in relation of a vehicle to the road is an unscientific method of calculation. (*b*) My Committee recommend that the following sub-section should be substituted for the existing one :—

"The axle weight of any axle which exceeds 9,000 lbs. avoirdupois when single wheels are fitted or 10,500 lbs. avoirdupois when dual wheels are fitted."

80. Obstruction of Driver.

This clause dealing with the obstruction of the driver is in my Committee's opinion not sufficiently explicit and they recommend that after the word "position" the remainder of the clause should be deleted and the following sentence substituted :—

"as to interfere with the driver's range of vision or to ham him in his management of the vehicle."

87. When any person is injured as the result of an accident in which a motor vehicle is involved, the driver of the vehicle or other person in charge of the vehicle shall—

(*a*) if required to do so by the injured person or by a police officer take all reasonable steps to secure medical attention for the injured person or if necessary convey him to the nearest hospital.

My Committee recommend that in this sub-section the following commencing sentence should be deleted :—

"if required to do so by the injured person or by a police officer."

My Committee consider that it is the duty of the driver to take steps to secure medical attention in cases of an accident whether requested to or not. The word "him" in the last sentence should be altered to "the person" as the sub-section does not presumably exclude females.

## CHAPTER VII—MOTOR VEHICLES TEMPORARILY LEAVING OR VISITING BRITISH INDIA.

90 (1). The Central Government may . . . . . make rules :—

(*c*) Prescribing the conditions subject to which motor vehicles brought temporarily into British India . . . may be possessed and used in British India.

This clause leaves in the discretion of the Provincial Governments the period, if any, during which motorists visiting India with their cars shall be exempt from taxation by the Provinces which they may visit.

90 (2). No rule made under this section shall operate to confer on any person any immunity . . . from the payment of any tax, etc.

My Committee recommend that a period of exemption be granted to visiting motorists as an all India exemption and that the period of exemption should be 90 days in order to conform to that granted by Great Britain and many other countries to foreign motorists.

If the visiting car be used in more than one Province and the period of the visiting motorist's stay in India be more than 90 days, the Province in which the car is lodged at the expiry of the exemption period, should be given the liberty of subjecting the car to taxation applicable to that Province.

106. *Co-operative Insurance.*

(*c*) the society shall, if required by the Provincial Government, reinsure against claims above a prescribed amount.

My Committee recommend that to this sub-section there should be added the words "with an authorised insurer."

110. The Central Government may make rules . . .

(2) Without prejudice to the generality of the foregoing power such rules may provide for :—

(*h*) adapting provisions of this Chapter to vehicles

My Committee recommend that statutory provisions should be made in the Bill for the acceptance of policies of insurance taken out by motorists visiting India from outside India for limited periods and suggest that Sub-clause 110

brought into British India by persons making only a temporary stay therein, etc.

(2) (*h*) be deleted and a new clause inserted between Clauses 109 and 110 in the following terms :—

"Nothing in this Chapter should apply to a vehicle temporarily imported into British India from outside India in respect of which there is already a valid policy in force, complying with the provisions of this Chapter and issued by an insurer (approved for the time being by the Government of India) in the country from which the vehicle has been temporarily imported."

## Chapter IX—Offences, Penalties and Procedure.

No comments.

## Chapter X—Miscellaneous.

134. The Central Government may . . . direct that any schedule to this Act . . . shall be modified.

It is here stated that the Provincial Government may if it so desires modify the Tenth Schedule to this Act. In the Tenth Schedule the first clause states that the driver of the motor vehicle shall drive on the left hand side of the road. My Committee consider that this ruling should be mandatory and not included in the rules which the Provincial Government may modify.

## Schedules.

Seventh Schedule.

My Committee have the following comments to make on the proposed Schedules to the Bill.

They suggest that Government's attention should be drawn to the fact that the proposed schedule is based on present day standards of pneumatic tyres and that provision should be made for later modification if and when improvements in tyres are introduced. They also recommend that the wording at the foot of the schedule should be altered to read "The tyre so marked should not be less than 6 inches."

Eighth Schedule.

They consider that the rules in this Schedule should be made by Provincial Governments and not by the Central Government.

They do not regard the arguments put forward in the Notes on Clauses as carrying sufficient weight to counteract the advantages to be obtained by Provinces making rules to control speed limits in view of the fact that the conditions of roads vary so much from Province to Province. It is obvious that in some Provinces a speed for public service vehicles can be safely permitted much in advance of 30 miles per hour, whilst not in others. To attempt to bring in an all-India rule in this matter would be a retrogressive step and would tend to prevent those Provinces which have a progressive policy from constructing good motor roads in order to encourage trade and traffic.

NINTH SCHEDULE. My Committee favour the International system of road signs because they are symbolic and will be understood by the vast majority of road users. In the case of the cautionary signs they include the explanatory device with the red triangle and thus are more economical. The signs proposed by Government are partly symbolic and partly linguistic. The English language is used, and the limitations, information, etc., will be confined to those persons who can read English. Generally, my Committee are of the opinion that the symbolic system is best suited to India.

TENTH SCHEDULE. No comments.

ELEVENTH SCHEDULE. No comments.

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## THE INDIAN FINANCE ACT, 1938.

(*Made by the Governor General on the 26th March*, 1938.)

**An Act to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898, and to fix rates of income-tax and super-tax.**

Whereas it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage under the

Indian Post Office Act, 1898, and to fix rates of income-tax and super-tax ; It is hereby enacted as follows :—

1. *Short title and extent.*—(1) This Act may be called the Indian Finance Act, 1938.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

2. *Salt duty.*—The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, imported into, any part of British India be construed as if, for the year beginning on the 1st day of April, 1938, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.

3. *Inland postage rates.*—For the year beginning on the 1st day of April, 1938, the Schedule contained in the Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act.

4. *Income-tax and super-tax.*—(1) Income-tax for the year beginning on the 1st day of April, 1938, shall be charged at rates applicable to the total income of each assessee the same, and increased in each case by the same fraction of the amount of the rate, as for the year beginning on the 1st day of April, 1937.

(2) The rates of super-tax for the year beginning on the 1st day of April, 1938, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be the same rates, increased in each case by the same fraction of the amount of the rate, as for the year beginning on the 1st day of April, 1937.

(3) For the purposes of sub-section (1) "total income" means total income as determined in accordance with the provisions of the Indian Income-tax Act, 1922.

## THE SCHEDULE.

Schedule to be inserted in the Indian Post Office Act, 1898.

[*See* section 3.]

"THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

[*See* section 7.]

| | |
|---|---|
| *Letters.* | |
| For a weight not exceeding one tola .. .. .. | One anna. |
| For every tola, or fraction thereof, exceeding one tola .. .. .. .. .. .. .. | Half an anna. |
| *Postcards.* | |
| Single .. .. .. .. .. .. .. | Nine pies. |
| Reply .. .. .. .. .. .. .. | One and a half annas. |
| *Book, Pattern and Sample Packets.* | |
| For the first two and a half tolas or fraction thereof. | Six pies. |
| For every additional two and a half tolas, or fraction thereof, in excess of two and a half tolas .. .. | Three pies. |
| *Registered Newspapers.* | |
| For a weight not exceeding ten tolas .. .. | Quarter of an anna. |
| For a weight exceeding ten tolas and not exceeding twenty tolas .. .. .. .. .. .. | Half an anna. |
| For every twenty tolas, or fraction thereof, exceeding twenty tolas .. .. .. .. .. .. | Half an anna. |
| *Parcels.* | |
| For a weight not exceeding forty tolas .. .. | Four annas. |
| For every forty tolas, or fraction thereof, exceeding forty tolas .. .. .. .. .. .. | Four annas." |

# THE BUDGET, 1939-40.

*Extract from the proceedings of a meeting of the Legislative Assembly, held in New Delhi, on Tuesday, 28th February, 1939.*

## Finance Member's Speech.

One of the few satisfactory features about the budgetary history of the year 1938-39 was the fact that when I originally presented my proposals to the House I prefaced my remarks with the warning that India was a disappointing country for prophets and thereby forestalled possible future accusations of inaccurate budgetting. This anticipatory caution on my part is in keeping with the practice of one of the greatest of Chancellors of the Exchequer, who always inserted safeguarding or hedging phrases in his speeches, so that when Opposition Members tried to quote him against himself he could safely invite them to read the full text, secure in the knowledge that the precautionary words would be there. But in anything so serious as my last Budget speech I must not be flippant, and so I plunge without further ado into the flood of prosaic facts and figures which I have to put before you.

## Financial Year 1937-38.

2. In our revised estimates for 1937-38 we anticipated that we should need to draw Rs. 1,09 lakhs from the Revenue Reserve Fund in order to balance our accounts, leaving in the Fund Rs. 75 lakhs to be carried forward to 1938-39. The actual amount required was however only Rs. 78 lakhs, for expenditure was Rs. 9 lakhs less than the revised estimates and revenue Rs. 22 lakhs better. The main variations in revenue were increases of Rs. 83 lakhs from Taxes on Income (including Rs. 43 lakhs on account of Corporation Tax) and Rs. 14 lakhs in the net receipts from Posts and Telegraphs, counterbalanced by decreases of Rs. 82 lakhs under Customs and Rs. 10 lakhs in Mint profits. The rather spectacular increase in receipts from Taxes on Income seems to have been partly due to an

acceleration of the process of assessment and partly to overcautious estimating at a time when trade activity was diminishing. The main benefit of the Income Tax (as opposed to the Corporation Tax) part of the increase accrued of course to the Provinces and so augmented their share of the divisible pool under the Niemeyer Award. In our revised estimates for 1937-38 we assumed that this share would be Rs. 1,38 lakhs but in the middle of March of that year it looked as if Railway receipts were declining and we therefore decided to distribute Rs. 1,25 lakhs only. In the event however the reduction in the Railway surplus was no more than Rs. 8 lakhs while on the other hand the divisible pool of Income Tax increased by Rs. 33 lakhs so that the true Provincial share of Income Tax turned out to be Rs. 1,63 lakhs. Thus against the additional Rs. 31 lakhs available in the Revenue Reserve Fund we must set off this balance of Rs. 38 lakhs of Income Tax which will have to be paid to the Provinces together with the amounts to be distributed on account of the current year.

The fall in customs revenue was general. As was mentioned in my Budget Speech last year the previous upward movement had come to a halt in January and there soon developed a decline which was steeper than anything we anticipated. A rapid falling off in the import trade accounted for the shortfall, in the closing months of the last financial year, of Rs. 82 lakhs and revealed the tendency which was to become so marked a feature of the first half of the current financial year.

### Financial Year 1938-39.

3. Our revised estimates for the current year show a net deterioration of Rs. 2,92 lakhs in revenue, and this is more than accounted for by the severe fall in the receipts from Customs Duties. At the time of framing the Budget we had, it is true, anticipated a reversal of the previous rise and had accordingly reduced our estimates by Rs. 60 lakhs as compared with the revised figure for 1937-38.

But the trade recession was much sharper than we feared though happily it showed signs of being shorter than usual. Its effects on the customs revenue in consequence proved much worse than we had had reason to expect and reduced the receipts in the earlier months of the year to such an extent that though there has since been a certain improvement, the reduction over the year is now estimated at Rs. 3,67 lakhs. Under expenditure there is a net diminution of Rs. 18 lakhs made up of a reduction of Rs. 1,18 lakhs in the Civil estimates mainly due to the special economy measures, counterbalanced by an increase of Rs. 1,00 lakhs for the Defence Services. The result is that instead of realising a surplus of Rs. 9 lakhs we have to reckon on a deficit of about Rs. 2,65 lakhs.

*Revenue.*

4. Apart from the shortage of Rs. 3,67 lakhs under Customs referred to above the other main changes in the budget figures are decreases of Rs. 18 lakhs under Currency and Mint and of Rs. 51 lakhs in the Railway contribution, as against improvements of Rs. 49 lakhs under Central Excise Duties, Rs. 32 lakhs under Corporation Tax, Rs. 47 lakhs under Taxes on Income other than Corporation Tax and Rs. 8 lakhs under Opium. Let me explain these variations in more detail.

5. *Customs and Central Excise Duties.*—As I have already said there is a total shortage of Rs. 3,67 lakhs under Customs and an excess of Rs. 49 lakhs under Central Excise Duties. Under Customs the steady increase in the imports of machinery has provided Rs. 21 lakhs more than our estimates, and imports of raw cotton, which were expected to yield Rs. 60 lakhs, are now expected to provide Rs. 20 lakhs more. But under most of the other heads there has been a shortfall, which is particularly heavy in the case of artificial silk fabrics and yarn and certain other textile items including cotton fabrics of British manufacture. It is worth while to observe that, from the purely revenue point

of view, the replacement of imports of consumers' goods by imports of plant and raw material of an equivalent value but subject to lower rates of duty results in a lower yield. This factor has been in operation concurrently with the setback in international trade. The yield of the export duty on jute, both raw and manufactured, though low in the first months of the year, has made a marked recovery and is now expected to reach the budget figure of Rs. 4,20 lakhs, so that the payments made on this account to the jute-growing Provinces are also likely to reach the budget estimates. Our revised estimates for motor spirit and kerosene, taking customs and excise together, are very much lower than the budget estimates but are still Rs. 24 and Rs. 6 lakhs respectively above the actuals of the previous year. Under Central Excise Duties the main rise has been under Sugar, where in spite of a smaller volume of factory production, high prices and under-stocked markets have stimulated the rapid clearance of finished sugar, and have incidentally provided an eloquent refutation of most of the arguments which were levelled against the increase of the excise duty two years ago.

6. *Taxes on Income.*—Our total revised estimate including Corporation Tax and other elements entirely Central is Rs. 16,04 lakhs compared with the budget estimate of Rs. 15,25 lakhs. The rise of Rs. 79 lakhs is of course a reflection into 1938-39 of the improvement which took place in the closing months of 1937-38. It includes increases of Rs. 32 lakhs under Corporation Tax and Rs. 12 lakhs in the portion attributable to the emoluments of officers serving under the Central Government and to centrally administered areas. The remaining Rs. 35 lakhs go to increase the pool of income-tax to be divided among the Provinces, but, as Hon'ble Members have learnt from the Railway Member, the estimated contribution from the railways to central revenues has been reduced from Rs. 2,56 lakhs to Rs. 2,05 lakhs and the amount payable to the Provinces on account of this year accordingly becomes

Rs. 1,12 lakhs as compared to the budget forecast of Rs. 1,28 lakhs. On the other hand there is, as I have explained, a carry forward of Rs. 38 lakhs which will raise the total to be distributed to Rs. 1,50 lakhs.

7. *Other Revenue Heads.*—There is a small decrease of Rs. 2 lakhs under Salt, and an increase of Rs. 8 lakhs under Opium owing to increased demands for excise opium from Provincial Governments and Indian States. Under Mint there is a decrease of Rs. 27 lakhs, the profits from the circulation of small coin having declined. In the first seven months of the year there was a particularly heavy return of all denominations of nickel coin, partly by way of reaction to the exceptionally heavy demand of the year before and partly as a result of the general decline in trade ; and though this return of coin has since November given place to seasonal absorption on a normal scale, the amount of nickel and bronze coins passed into circulation during the year will now be a great deal less than anticipated. The variation under Currency is due to an increase of Rs. 10 lakhs in the Government's share of the Reserve Bank's profits.

8. *Posts and Telegraphs.*—The budget and revised estimates for the Posts and Telegraphs Department are as follows :—

| | Budget, 1938-39. | Revised, 1938-39. |
|---|---|---|
| | (In lakhs.) | |
| Gross receipts . . . . . | 11,70 | 11,52 |
| Working expenses and interest charges . . . . . | 11,70 | 11,51 |

Indications of decline in revenue appeared early in the year, and steps were immediately taken to effect such reductions in expenditure as could be made without curtailing the existing facilities to the public. New projects were postponed and certain desirable activities, provision for which had been made in the budget, had to be abandoned.

Thus, although we anticipate a fall of Rs. 18 lakhs in revenue we are still able to hope that the Department will end the year with a balanced account.

*Expenditure.*

9. *Defence Services.*—The only increase on the expenditure side of the 1938-39 estimates arises under Defence Services which are expected to cost Rs. 1,00 lakhs more than the Budget estimate of Rs. 45,18 lakhs. The sum of Rs. 1,00 lakhs is the net result of increases aggregating Rs. 2,16 lakhs, and reductions totalling Rs. 1,16 lakhs. The main items of increase are :—

| | |
|---|---|
| Improved conditions of service for British military personnel consequent on decisions taken by His Majesty's Government .. .. .. .. | Rs. 1,15 lakhs. |
| Waziristan operations .. .. .. | Rs. 45 lakhs. |
| Increased requirements of Ordnance Services .. .. .. .. | Rs. 32 lakhs. |

As regards the first item, I should explain that it includes a sum of Rs. 25 lakhs which is still the subject of discussion with His Majesty's Government.

The principal decreases are :—

| | |
|---|---|
| Abandonment of the scheme for the conversion of 4 British Battalions into Machine Gun Units .. .. | Rs. 48 lakhs. |
| Slowing-down of the programme of mechanization of British Cavalry Units and of other reorganisation measures .. .. .. .. | Rs. 26 lakhs. |
| Withdrawal of 4 British Battalions .. | Rs. 16 lakhs. |

10. *Civil Estimates.*—In connection with the decrease of Rs. 1,18 lakhs in the Civil estimates it will be appropriate if I give a brief account of the various economy measures undertaken by Government during the course of the present

year in order to reduce the deficit that was bound to occur once customs receipts began to show a serious decline. As long ago as last April, when the recession in trade showed the first indications of hardening into a considerable depression, all new schemes, even though they had been provided for in the Budget, were ruthlessly excised, and orders were issued that no proposal for fresh expenditure would be entertained unless it was absolutely inescapable or definitely remunerative. As the trade recession deepened and our customs revenue declined still further, a special committee of Secretaries, presided over by the Home Member, was set up to examine expenditure in detail and to propose further economies in the sanctioned grants. As an emergency measure orders were issued restricting officiating promotions and the recruitment of outsiders. Grants for travelling allowance and contingencies were cut by ten per cent., and all possible economies that did not involve the retrenchment of permanent staff or the cessation of valuable activities on the part of Government institutions were enforced. As the result of these measures savings amounting to Rs. 1,18 lakhs were achieved. After deduction of that part of the savings relating to the Posts and Telegraphs Department which went to balance the decrease in their receipts and so made no net contribution to our problem, the revised estimates show a net reduction of Rs. 94 lakhs as compared with our budget estimates. This is spread over practically all heads, though the largest reduction appears under Civil Works owing to the abandonment or postponement of building projects previously sanctioned.

11. *Interest.*—The remainder of the reduction in expenditure is accounted for by a net diminution of Rs. 24 lakhs under the Interest head. In the first place there is a reduction of Rs. 48 lakhs on account of Bonus on Post Office Cash Certificates. As the House knows, our disbursements on this account have been exceptionally heavy in recent years with the result that the fund maintained to assist in meeting this liability had become exhausted.

Accrued interest on certificates presented for encashment has had therefore to be met entirely from revenue. Contrariwise a reduction in the accrued interest payable produces a direct budget saving. During the present year not only has there been a diminution in the volume of certificates presented for payment but many of those presented have carried a lower rate of interest. A further element is a saving of Rs. 18 lakhs in interest on Postal Savings Bank Deposits due to the reduction in the rate of interest last December from 2 per cent. to 1½ per cent. This rate is still ½ per cent. above that payable by the Imperial Bank, and we considered that the reduction might be made without materially affecting the steady increase in these Savings Bank Deposits, the outstanding balance of which has risen from Rs. 43 crores in 1933 to over Rs. 77 crores at the beginning of this financial year. Against these reductions there has been an increase of Rs. 26 lakhs in the discount on Treasury Bills due mainly to the higher rates of interest now current in the bill market, and various minor additions which I need not particularise.

*Position as at 31st March 1939.*

12. So on the basis of these figures we are faced with a deficit of Rs. 2,65 lakhs in the current year. As the amount provided for the reduction or avoidance of debt was Rs. 3 crores, this means that there will virtually be no debt repayment from revenue during the year though fortunately there will be no net addition to indebtedness. However in this connection I may point out with a certain consciousness of rectitude that, according to the decision explained in my Budget Speech last year, the sum of Rs. 1,02 lakhs paid to general revenues on the 1st April 1938 out of the balance in the Renewals Reserve Fund of the Posts and Telegraphs Department has been taken to reduction of debt outside the revenue account, whereas it might have been shown in reduction of our current deficit. If the latter course had been followed we should have exposed a deficit of only Rs. 1,63 lakhs.

## FINANCIAL YEAR 1939-40.

13. I come now to the financial year 1939-40. Our total revenue estimates amount to Rs. 82,15 lakhs as compared to Rs. 83,00 lakhs in the revised estimates for this year.

### *Revenue.*

14. *Customs and Central Excise Duties.*—Next year's budget estimate for customs is Rs. 40,10 lakhs against the current year's revised of Rs. 40,14 lakhs. It has, however, been decided on the recommendation of the Public Accounts Committee that with effect from next year the amount payable to the States of Cochin and Travancore as their share of the customs revenue of the Cochin Port is to be treated as a deduction from revenue and not as expenditure. This involves a reduction of Rs. 39 lakhs under both revenue and expenditure and so we are really budgetting under customs for an increase of Rs. 35 lakhs. This is based on the assumption of increasing yields from such items as petrol and machinery, which continue to show a steady growth in spite of fluctuations in trade conditions, and of further reductions in the receipts from artificial silk fabrics and yarns and other textile fabrics. For the rest we have taken no more than the revised estimates for the current year. There are signs, notably the revival of confidence in the stock and commodity markets that took place last June, and the improvement in the foreign trade position that has continued since then, that the present depression will not be so prolonged as the last and should in the ordinary course give way to a general trade revival. On the other hand there is the continued uncertainty of the international political situation, and it would perhaps be unduly optimistic to count on any marked revival in time to affect materially the accounts of next year. Thus, though the customs returns of the last few months have shown an improvement on those of the earlier part of the year, and the figures for India's favourable balance of trade have been consistently better than those of the corresponding months of the previous

year, conditions do not appear to justify our raising our general estimates above the level of the returns of the current year.

15. Our estimates for Central Excise duties, which amount to Rs. 8,28 lakhs, also follow our revised estimates except for minor variations. The main component of this figure is the estimate of Rs. 4,00 lakhs from the duty on sugar. I have adopted Rs. 4,00 lakhs as a nominal figure on a review of various conflicting considerations and in conjunction with a figure of Rs. 20 lakhs, also largely nominal, which has been included in the Customs estimates. I am aware that the outturn of the cane crop for the present crushing season points to a considerable shortage in the production of factory sugar during that season. On this basis it would be reasonable to adopt a much lower forecast of the yield of the excise. The financial year however bestrides two crushing seasons and there are other elements of uncertainty in the situation. In the first place, the continuance of high prices for refined sugar must have a depressing effect on the volume of consumption. Secondly a shortage of factory production can be made up by an expansion of *khandsari* production as well as by imports of foreign sugar. To the extent that *khandsari* production supplies the deficiency the result is that little or no compensation accrues to the revenue for the loss of the excise from factory sugar. On the other hand, imports of foreign sugar more than compensate for the loss of revenue from indigenous supplies. On a careful review of the various conflicting and indeterminate factors in the problem I have come to the conclusion that I should not be justified in assuming a total revenue from both Excise and Customs duties on sugar of more than Rs. 4,20 lakhs. I have not made any attempt at a precise apportionment of the revenue to these two heads; the figures under Excise and under Customs are alike nominal. I do however attach considerable importance to the gross figure which represents a considered decision of what we can safely expect from this source.

16. It will be convenient at this point to say something about the change which we intend to introduce in regard to the levy of Excise duty on *khandsari* sugar. Here we are introducing legislation which will extend the liability to pay duty and will at the same time enable us to reduce the rate of duty. The estimated quantity of *khandsari* sugar produced annually in British India has at various times fluctuated from 100,000 tons to upwards of 200,000 tons. Yet the yield of excise duty at the present rate of Re. 1 per cwt. is not more than Rs. 50,000 ; in other words, the quantity of *khandsari* sugar on which duty is paid is less than 2 per cent. of the total production. This is due largely to the definition of a "factory" in the Sugar Excise Duty Act, 1934, which confines the charge of the duty to sugar produced in premises employing 20 or more workers. This liability is easily avoided by the common practice of splitting up the process of manufacture and having the different processes performed in separate premises. The result is not only a loss of revenue but an inequitable incidence of taxation which has given rise to numerous complaints from the sugar mills of unfair competition. It is therefore intended to amend the definition of "factory" in section 2 (*a*) of the Sugar Excise Duty Act, 1934, so as to omit any reference to the number of workers employed. I should make it clear that there will be no extra burden on the small agriculturist who does not employ mechanical power in any of the processes of sugar production. We propose at the same time to reduce the rate of excise duty on *khandsari* sugar from Re. 1 to annas eight per cwt. We estimate that this change will yield an increase in revenue of approximately Rs. 5½ lakhs, but this figure is included in the general estimate of the Excise revenue from sugar.

17. *Taxes on Income.*—As already mentioned we have put up our revised estimates for 1938-39 by Rs. 79 lakhs over the budget figure. The preceding year had been on the whole a prosperous one and the decline in trade did not

appear until the last few months of it. As I have pointed out the trade recession which then set in was sharp, and we estimate that the effect of this on our figures for 1939-40 will be a reduction of Rs. 81 lakhs, which wipes out the gain shown in the revised estimates for 1938-39. Of this fall Rs. 20 lakhs is on account of Corporation Tax. On the other hand we have to reckon on the increases that are expected to result from the introduction of the provisions of the Income Tax (Amendment) Bill, together with the application of a new scale based on what is called the Slab System.

18. The new scale of rates, which will appear in the Finance Bill, is that shown in Appendix 2 of the Income-Tax Enquiry Report of 1936, with no alteration other than that Hindu Undivided Families with more than one adult married male member are treated in the same way as other Hindu Undivided Families, that is to say, the rates of tax will be the same for them as for individuals. I need not describe the scale in detail now because it was fully present to the minds of Hon'ble Members throughout the recent debates on the Income Tax Bill. It is also proposed to abolish the Rs. 50,000 exemption limit for Company super-tax.

19. Provision is made in the Finance Bill, as in past years, for the previous year's rates to be applied to incomes from salaries, interest on securities, and company dividends, but this year, owing to the change from the Step to the Slab System, the provision is more complicated and involves the application of the old rates to the total income if more than half the total income is from these sources.

20. I have already told the House that the majority of individual assessees will gain by the introduction of the Slab System. For individuals we expect a decrease of Rs. 93 lakhs in income-tax and an increase of Rs. 1,17 lakhs in super-tax. From companies we hope to get increases of Rs. 31 lakhs in Income-Tax and (after allowing for the removal of the Rs. 50,000 exemption limit) of Rs. 21 lakhs in super-tax.

21. From the legislative changes contained in the actual Income-Tax Bill, i.e., apart from the changes of scale to be provided for in the Finance Bill, but including the withdrawal of the leave pay exemption, we hope to get in round figures Rs. 50 lakhs. This may appear to Hon'ble Members a very modest sum after all the alarums and excursions which have attended the passage of this legislation. But it is at any rate a good start and in succeeding years, when its provisions have had time to become fully effective, we may hope for much larger sums.

22. All told the combined effect of the legislative and quasi-legislative changes is an increase of Rs. 1,31 lakhs of which Rs. 21 lakhs is under Corporation Tax. Taking into account also the reduction due to the fall in profits we arrive at final estimates of Rs. 1,88 lakhs for Corporation Tax and Rs. 14,66 lakhs for Taxes on Income other than Corporation Tax—the latter figure representing an increase of Rs. 49 lakhs over the revised estimate for 1938-39. Of the Rs. 14,66 lakhs, Rs. 12,65 lakhs represents the divisible pool for Niemeyer purposes and Rs. 2,01 lakhs the purely Central share. As the Railway contribution has been estimated by the Railway Member at Rs. 2,13 lakhs, the Provincial share of Income Tax comes to Rs. 1,78 lakhs, which is Rs. 66 lakhs more than the revised estimate for 1938-39.

23. *Posts and Telegraphs.*—For the next year the revenue of the Posts and Telegraphs Department is expected to be Rs. 11,64 lakhs, and expenditure Rs. 11,63 lakhs. Although recent months have indicated a slight improvement in certain classes of traffic, the general economic conditions in the country do not warrant anything more than a small increase of Rs. 12 lakhs in revenue. The estimated expenditure is also Rs. 12 lakhs above the revised estimate for the current year ; the rise is mainly accounted for by increases of about Rs. 8 lakhs due to normal increments of salaries and of Rs. 3 lakhs in pensionary charges.

*Expenditure.*

24. The total figure for expenditure is Rs. 82,65 lakhs, or Rs. 3,00 lakhs less than the revised estimates for the current year. This somewhat startling reduction is explained by decreases of Rs. 1,73 lakhs under Interest and Rs. 1,00 lakhs under Defence, coupled with the fact that the special economies enforced this year are being continued in the budget for next year.

25. *Defence Services.*—The Defence Budget for 1939-40 stands at Rs. 45,18 lakhs. This is the same figure as the Budget Estimate for the current year, but Rs. 1,00 lakhs less than the Revised Estimates.

I do not suppose that there is another important country in the world whose Defence Budget for 1939-40 will not show an increase, and, in some cases, a very large increase, over the Budget for 1938-39. Whatever may be the true position in this respect, it does not admit of doubt that no other country of importance has been able to escape with such modest increases in Defence expenditure as has this country during the past four years.

I have not concealed from the House in my previous Budget speeches that the sums, which it has been possible to allocate to the Defence Services in recent years, have not corresponded with military necessities or the international situation: rather have they been determined by financial exigencies.

The same is true of the Budget Estimate for 1939-40. The total sum proposed provides merely for standing charges and commitments. Even so, we have been able to keep down to Rs. 45,18 lakhs only as a result of :—

(*i*) The receipt of the addition of £500,000 to the Garran contribution which I announced on the 13th of September last ;

(*ii*) The transfer to the Imperial Establishment of 4 British Battalions, 1 Cavalry Regiment and 5 Tank Companies, which have already left India, or will have left by the end of the present trooping season ;

(*iii*) Drawing on military Sinking Funds to the extent of Rs. 49 lakhs for purposes other than those for which they were set up.

The Budget Estimate also allows for the receipt of £2,150,000, being the first part of the capital grant of £5 million which I announced at the same time as the additional recurring grant of £500,000 just mentioned. As the House will remember, this capital grant was related only to certain British and Indian Units in India : it falls far short of the sums required if our Military and Naval Forces are not to be left in a condition far inferior to the Defence Forces of other countries. I can only express the hope that the decisions of His Majesty's Government on the Report of the Expert Committee on Indian Defence under the Chairmanship of Lord Chatfield will result in further substantial sums becoming available to give us those modern Defence Forces which are required by recent developments in military science and are dictated by the present world situation.

26. *Interest.*—The decrease in next year's estimate under Interest, as compared to this year's budget estimate, is no less than Rs. 1,96 lakhs. The main elements which go to make up this large saving are as follows :—First, there is a reduction of Rs. 1,60 lakhs in the amount payable as bonus on Post Office Cash Certificates. This is due to the fact that the certificates now falling due were issued at considerably lower rates of interest and are also less in amount than the exceptionally heavy maturities of recent years. The high interest certificates were all issued in years prior to that beginning on the 1st April 1934. With a lowering of the rate the value of new certificates sold naturally decreased. During the year 1934-35 the average rate of

interest was 3 per cent. whereas at one time it had been as high as 5¼ per cent., and the value of certificates sold was under Rs. 10 crores as opposed to over Rs. 13 crores in the previous year. It is the certificates sold in the year 1934-35 which ordinarily fall in for payment in 1939-40 and we are able therefore to reduce our estimate for the amount payable as bonus on certificates due to be discharged to Rs. 2,25 lakhs as compared with last year's budget estimate of Rs. 3,85 lakhs and a revised estimate of Rs. 3,37 lakhs. Then there are savings of Rs. 35 lakhs on account of the conversion operation of last summer, over and above of course a substantial saving to the Railways, of Rs. 37 lakhs, being a full year's consequence of the reduction in interest on Post Office Savings Bank Deposits which I have already mentioned, and of Rs. 15 lakhs in interest on sterling Family Pension Funds due to their transfer to the Family Pension Fund Commissioners in London. Against these savings there is increased expenditure of Rs. 28 lakhs on Treasury Bills owing partly to the larger balance outstanding at the start of the year but mainly to the rise in rates, an increase of Rs. 9 lakhs in the interest on Provident Funds due to normal growth in deposits, and extra interest amounting to Rs. 22 lakhs earned on the larger balances in the Railway Depreciation Fund.

27. Perhaps the House will bear with me if I turn aside and point the moral of this huge reduction in our interest charges. It is due largely to careful management of our public debt on the part of my predecessor and also of course to the policy of sound finance which has been pursued by the Government of India over a number of years. And if there are Hon'ble Members who are inclined to jeer at what they conceive to be the undue orthodoxy of the policy I hope they will reflect upon the very remarkable fruit which it is now bearing in enhanced credit and reduced debt charges. I make no apology for dwelling a little on this question for, as I have said, the main responsibility for the results lies at the door of my predecessor.

28. *Other Expenditure heads.*—As I mentioned in connection with the revenue estimates there is a decrease of Rs. 39 lakhs under customs, due to the payments on account of the Cochin Port being treated as deductions from revenue. The expenditure under the remaining heads has on the whole been kept at the level of the reduced amounts shown in the revised estimates by the prolongation of the economy measures brought into operation this year. Such unavoidable increases as have had to be provided for have been counterbalanced by extra savings from some of the economies which could not produce their full effect till next year.

*Position as at the* 31*st March* 1940.

29. Thus, on the basis of the adoption of the new rates for Income-Tax, etc., and of the maintenance of existing taxation otherwise we arrive at the following result :—

| | |
|---|---|
| Revenue .. .. .. .. | Rs. 82,15 lakhs. |
| Expenditure .. .. .. .. | Rs. 82,65 lakhs. |
| Prospective deficit .. .. . | Rs. 50 lakhs. |

Before I proceed to deal with the question of making up this deficit I must turn aside and give the usual review of our Ways and Means position.

WAYS AND MEANS.

30. *New Loan.*—During the current year the Government of India made a combined cash and conversion issue of 3 per cent. 1963-65 stock at Rs. 98. The 5½ per cent. 1938-40 and the 5 per cent. 1939-40 loans were accepted at Rs. 101-12 and Rs. 104 respectively. The issue, which was oversubscribed within 5 minutes of its opening, produced Rs. 26,31 lakhs of which Rs. 19,98 lakhs represented conversions. The unconverted part of the 5½ per cent. 1938-40

loan was notified for discharge on October 1st. Next year we shall have the option of redeeming the remainder of the Government of India 5 per cent. 1939-44 loan, the outstanding balance of which is a little over Rs. 20 crores. The time and manner of the redemption will of course depend on market conditions and on our Ways and Means position.

31. *Sterling Liabilities.*—With the decline in our balance of trade that occurred during the earlier part of last year and a certain increase in private remittance for purposes of investment the amount of sterling offered to the Reserve Bank has until recently been comparatively low. In the first ten months of the current year the Bank's purchases amounted to £12 millions as compared to £15 millions in the corresponding period of the previous year, but in the last two months the amounts purchased have been considerably larger than those of the corresponding weeks of last year. With the trade balance rising again there is good reason to expect that by the end of the year a much more satisfactory showing will have been made. In the year a further £3 millions of sterling Railway Debentures are being discharged and we also expect to complete the transfer of our outstanding liabilities in respect of sterling family pensions, amounting to about £6 millions. These further repayments of sterling debt will bring the total amount repatriated since 1935 to something like Rs. 65 crores. Next year our sterling requirements are estimated at a little over £27 millions as compared to £36 millions in the current year, £37 millions in 1937-38 and £41 millions in 1936-37. This reduced remittance programme should offer us no difficulty.

32. *Treasury Bills.*—In 1938-39 we had reckoned on an increase of Rs. 5 crores in the value of treasury bills outstanding. Actually the figure looks like being Rs. 6,70 lakhs with the result that the total amount outstanding at the end of 1938-39 will be between Rs. 44 and 45 crores. Next year, however, in spite of the virtual certainty of

our having to pay for a further 5 crores of silver rupees returned by the Reserve Bank, we expect to be able to reduce this balance by some Rs. 6 crores. Taking both years together, we shall have made only a trifling addition to our floating debt in spite of an increase of Rs. 10 crores in the silver debt and of having had to make a special remittance of about Rs. 8 crores on account of the Family Pension Funds.

33. I may add that it has been found satisfactory to all the parties concerned to continue the arrangement by which, instead of the Provinces competing for the supply of treasury bills sold each week by public tender, the bills required for the investment of their surplus balances are provided by the Reserve Bank from its own holding. Of the total amount of treasury bills at present outstanding approximately Rs. 4¼ crores represent bills transferred in this way to the Provincial Governments.

34. *Post Office Cash Certificates and Savings Bank Deposits.*—Our revised ways and means estimate allows for a net repayment of Rs. 62 lakhs only in respect of Cash Certificates as compared with the budget estimate of Rs. 3½ crores. Encashments have been slightly less than anticipated while sales have now begun to show a distinct improvement. This is no doubt due to the effect of the recent reduction in the rate of interest on Post Office Savings Bank deposits in increasing the relative popularity of the Certificates. Our estimate for the net repayment next year is therefore taken at no higher figure than Rs. 50 lakhs. On the other hand the rate of increase in Savings Bank deposits has fallen off though, as I said earlier, there is no sign of a reversal of the process which has resulted in a steady rise in the total deposits since 1933 from Rs. 43 to Rs. 77 crores. In fact, as against an increase of Rs. 5 crores (excluding interest of course) assumed in the budget, our latest estimates provide for an increase of Rs. 3,30 lakhs this year and of Rs. 3,75 lakhs next year.

# RAILWAY BUDGET.

*Extract from the proceedings of a meeting of the Legislative Assembly held in New Delhi on Monday, 13th February, 1939.*

**Speech of the Railway Member (the Hon'ble Sir Thomas Stewart).**

Sir, I rise to present to the House the Railway Budget for 1939-40. Last year, on this occasion, I indicated that we were fortunate in that a series of lean years appeared to have come to an end, and I am happy to be able to say that the results of the year now coming to a close show no great deterioration in our position. I only wish that I had the confidence to claim that the tide had turned and that we could now look forward to an era of prosperity ; but, in present world conditions, I am sure this House will agree that such confidence would be unjustified and we must therefore continue to take the less imaginative, but undoubtedly safer, short view of our future.

## Financial Results of 1937-38.

2. When I presented the current year's budget, I expected that the surplus for the year 1937-38 would be 2.83 crores. This estimate of the net position proved almost exactly correct, the actual surplus being 2.76 crores. But the estimates we made then of receipts and working expenses were both exceeded almost to an equal extent (about $\frac{3}{4}$ crore). Goods earnings mainly accounted for the improvement in receipts, the principal commodities contributing to it being coal, metallic ores, wheat, manufactured cotton goods and grains. The increase in working expenses is attributable mainly to two causes (1) freight charges on coal, delays in the supply of which from the market earlier in the year tended to augment the transport of this commodity in the closing months of the year beyond our estimates, and (2) the heavier expenditure on repairs consequent on the increased volume of traffic and the general rise in the price of materials.

REVISED ESTIMATE FOR 1938-39.

3. Let us turn now to our revised estimates for the current year. When the original budget was framed, it was expected that the total traffic receipts in respect of state-owned lines would be 94¼ crores, the same as we then expected for 1937-38, and the total working expenses, including depreciation, 62½ crores. Taking into account miscellaneous receipts and expenditure, the net railway revenue was estimated to be over 31¾ crores. Interest charges were placed at less than 29⅓ crores, leaving a surplus of a little over 2½ crores. Our present expectations are that our total receipts will be 94⅔ crores, and the total expenditure, including depreciation, a little over 63½ crores. Miscellaneous receipts will exceed miscellaneous expenditure by a quarter of a crore, and the net railway revenue is now expected to be 31⅓ crores. After meeting interest charges estimated at 29¼ crores, our surplus is placed at a little over 2 crores.

4. As indicated above, our receipts are expected to go beyond our original anticipations by less than half a crore, while our working expenses are likely to go up by a crore. In regard to receipts, when we framed the revised estimate for 1937-38 and the budget for 1938-39, we did not expect 1937-38 to be as prosperous as the event disclosed but, in spite of the uncertainty regarding general trade and international conditions and the apprehension that conditions might grow worse, we expected the same receipts for 1938-39 as for 1937-38. In our estimate of the comparative receipts of the two years, we are not likely to be far wrong, though the figures for both are now higher than earlier estimates. We now anticipate that our total traffic receipts will be 94⅔ crores against 95 crores in 1937-38 and against our original estimate of 94¼ crores. Though, up to the 20th January 1939, approximate receipts were level with last year's, we have two reasons for taking the lower figure for 1938-39. In the next two months, we apprehend a slight deterioration owing to the fact that

railway coal has moved earlier than usual this year in the effort to relieve traffic congestion in the busy months. Further, towards the end of last year, we had the additional earnings accruing from the abnormal Kumbh Mela passenger traffic. The trend in passenger and goods traffic, considered separately, has been hitherto somewhat unusual. While the former showed a betterment of about 27 lakhs and the latter a worsening of 41 lakhs up to the 10th July, the relative position was completely reversed by the 10th January. Goods earnings have gone up by 40 lakhs, while passenger receipts are down by about the same amount. Oil seeds, cotton and sugar are the principal commodities which have contributed to the additional earnings under goods. Metallic ore and coal traffic receipts have fallen continuously, the latter owing to shorter leads.

5. As regards expenditure, we now anticipate that working expenses, including depreciation, will be 63½ crores against actual expenditure of a little less than 63 crores in 1937-38 and against our original estimate of 62½ crores. It should not be concluded that this increase signifies any relaxation of our efforts for economy in operation. These continue unabated. But for several causes the increase is, we fear, inevitable. This year, as is well known, the price of our coal has been higher and in the effort, on the lines suggested by the Railway Enquiry Committee, to increase earnings by affording improved facilities to the public and to retain traffic in the face of competition with other forms of transport, the mileage we are running is on the increase, with a consequent increase in coal consumption and repairs to rolling stock. We are feeling, too, in some measure, the effects of our economies during recent years. The diminished scale of our purchases of rolling stock in that period has resulted in a rise in the average age of our stock, with a consequential increase in the cost of maintaining it. Nor can the fact of the rise in the price of materials necessary for repairs be ignored.

BUDGET ESTIMATE FOR 1939-40.

6. Turning now to the estimate for 1939-40, Honourable Members are aware that the general trade conditions and the international situation are still full of uncertainty and preclude our making a forecast with any degree of confidence. In the hope that, if any changes occur in general conditions next year, as compared with the current one, their effect on our revenues will not be severe and taking into account the incidental fact that, next year being a leap year, we shall have an additional day's earnings, we have placed our estimate of receipts a little higher than our present expectations for the current year at 94¾ crores. As between passenger and goods traffic, we have provided for a slight fall in the former and a slight increase in the latter. Our net miscellaneous receipts are expected to show a betterment of over ⅓ crore. There will be, however, it is expected, an increase of ¾ crore in ordinary working expenses, bringing down the net revenue to about ¼ crore less than in the current year, the contribution to the depreciation fund standing practically at the same figure as in 1938-39. The interest charges being, however, about ⅓ crore less owing to the fall in rate, we expect a surplus slightly over the current year's (213 lakhs against 205).

7. Our capital programme for the construction of new railway lines is a modest one. It relates mainly to the three Sind projects to which I referred in my last budget speech and which are intended to serve the new fertile areas recently developed by the Lloyd Barrage. Of these projects, the Sind Right Bank Feeders Railway, for which 73½ lakhs has been provided, is expected to be completed next year. The Khadro-Nawabshah line also will make very substantial progress. I regret to inform the House that the Pithoro-Tando Mithakhan Railway, which has been included in our programme for the last two years, is still under discussion with the Sind Government. A small sum has also been provided, in case it should be ultimately

decided to proceed with the construction of the Kashipur-Kalagarh line, a project which we are now considering in consultation with the Government of the United Provinces.

8. Our next year's programme for open line works is on a somewhat larger scale than the current year's. The gross figures are 14 crores against 12¼. The largest single item in this programme is the provision of about one crore for the purchase of the South Bihar Railway, for which the rental paid by Government under the existing contract works out to about 4½ per cent. on the purchase price. It will be readily appreciated that, at the present rate of interest, the purchase now is a paying proposition, and it has received the concurrence of the Standing Finance Committee for Railways. Five crores have been provided for rolling stock. I can assure the House that this expenditure is kept down to the absolute minimum compatible with traffic requirements. The figure has, however, been affected by the rise in the price of iron and steel caused by the rearmament programme in other parts of the world, to which I drew attention last year. Last year I referred to the contracts which, as a measure of prudence and economy, we decided to enter into in 1937-38 with the Indian Wagon building firms for the supply of 6,095 broad gauge general service wagons to be spread over three years. The last instalment of this supply will be of 2,500 wagons in 1939-40, and for this a sum of about 1¼ crores has been provided. For expenditure on track renewals we have provided 4¾ crores and for bridges and other structural works 3¼ crores. Our gross expenditure under open line works, after allowing for various credits, is expected to be 12¼ crores. In accordance, however, with the practice for some years now based on our experience that railways have been unable to spend the gross amount arrived at in our estimate, we have reduced the total demand to 10¼ crores. Of this, we expect, 6¼ crores will be met from the depreciation fund. These,

Sir, are the broad outlines of the financial picture. I shall now turn to a few of the other aspects of our stewardship for the year.

9. Last year I gave to Honourable Members an indication of the action which was being taken on the various recommendations contained in the Report of the Wedgwood Committee. The Railway Board and its associated administrations have not ceased from the search for increased efficiency and a second statement has been made available to the House giving complete information as to the further action taken. Honourable Members will observe for themselves that much progress has been made in implementing the recommendations of the Committee. I would, however, make special mention of a few of our more striking advances.

The Committee emphasized the need for strengthening the commercial side of railway administration and, bearing this in view, we have sanctioned the creation of ten posts in order to expand our activities in regard to publicity, commercial research and direct commercial working. We have also sanctioned the creation of a separate commercial department, as a temporary measure for two years in the first instance, on the Assam Bengal Railway. Special efforts are being made to utilize the publicity value of the Indian press—by this I mean newspapers published in Indian languages—and a campaign of continuous advertising in respect of lower class travel has been inaugurated experimentally on two railways.

10. The Committee drew attention to the very high incidence of locomotive repairs as a result of overheated axle bearings. It is obvious, of course, that a reduction in the hours for which a locomotive is in the repair shops, must automatically release more engines for service. Last year I mentioned that the Railway Board had placed a Senior Mechanical Engineer on special duty to investigate the possibilities of eliminating this all too common defect in our rolling stock, and I am glad to say now that considerable progress has been made in solving this long-standing

and vexatious problem. We believe that the causes of the trouble have been determined, and large scale trials are now in progress to test the remedial measures which have been evolved. To justify our optimism, I may mention that the East Indian Railway has succeeded in reducing the number of repairs due to heated bearings by some 50 per cent. during the last six months for which we have statistics.

11. So far as wagons are concerned—and Honourable Members will realize that in point of numbers alone this is probably a much more important item than locomotives—a Standing Committee of the Indian Railway Conference Association has now put forward recommendations for large scale trials on the broad gauge railways. These trials will be undertaken, but Honourable Members must understand that this is more than a laboratory experiment and it will be some considerable time before we have the data on which we may frame a definite course of action for the future.

12. Our research activities have also extended, in collaboration with the Indian Stores Department, towards the production of white metals for use in bearings and we have every hope that these researches are approaching a successful conclusion. Of special interest to those Honourable Members who are interested in the use of the agricultural products of this country must be the researches which have resulted in the discovery of a treatment of indigenous rape oil which shows promise of making it eminently suitable as a constituent of locomotive axle oil.

13. I would now refer to the efforts which are being made to improve the relations of railways with the public, the need for which has been so often emphasized in this House. To use the language of modern business, the Railways are out to sell transport and, if you want to sell your goods, particularly in competitive conditions, you must satisfy your customer. The public is our customer. The criticism against railways in this regard falls into two

classes. In the first place, it is said that the railways, relying on an ancient monopoly which, however, does not now exist, are indifferent to the interests and needs of their clients. And secondly, and perhaps for similar reasons, there has arisen a tradition of incivility and dishonesty on the part of the railway staff in their dealings with the public. In regard to both these matters, there has been on the part of railway administrations sustained effort to meet their critics. It is no longer true to say that our railways are indifferent to the needs of the third class passenger. So far as finance will permit, efforts are being made in every direction to increase his amenities. In another direction, on the commercial side, we are endeavouring to meet our clients and to establish closer contacts with the business community. To take up again the idiom of modern commerce " If you want business, you must go and fetch it," and our commercial staff, some of them specially appointed for canvassing purposes, are now making personal calls on the traders who may be expected to use the railways. Personal contacts between the heads of the railway administrations in the larger cities and the commercial interests are more frequent, and I personally regard these personal contacts more valuable than the more formal meetings of Advisory Committees.

14. As regards incivility and dishonesty, I can add little to what I said last year. The problem is bilateral and not unilateral, but I would repeat what I had occasion to say some few weeks ago to a gathering of Railway officers, namely, that none of us should be too complacent by reason of the fact that we were not the sole contributories to the existence of an evil, and I feel certain that my view is shared by every responsible officer on our railway systems throughout India. In the meantime I do not venture to hope that in this regard there can be any spectacular improvement from year to year, but from our side we are doing what we can. There have been set up special courses of lectures at our training schools, we have issued personal

appeals to our staff, and suggestion books in which the aggrieved passenger may record his complaint are an obvious feature of every station. These complaints are examined and analysed, and we have made it clear to our staff that incivility—it is unnecessary to add dishonesty—will be regarded as a sufficient reason for summary dismissal.

15. As an example of the readiness of the railways to meet the needs of their customers, let me mention what was done in connection with the last Kumbh Mela at Hardwar. We had to deal with something like 12 lakhs of passengers inwards and outwards and on the peak day we handled 68,000 passengers as against a maximum figure of 41,000 in the previous Kumbh. 44 inward special trains arrived carrying on an average 1,500 passengers apiece. Each was cleared through the exit gate in a period of 10 to 15 minutes. The outward rush, as can be imagined, was more concentrated than the inflow. 70,000 to 80,000 passengers departed daily, and on one day 43 loaded special trains were despatched over a single line section—a record never before achieved on Indian railways. At such an important pilgrim gathering, overcrowding may be inevitable, but we did our best to mitigate discomfort, and profiting by our experience in 1927, ran considerably more than double the number of special trains that were operated in that year.

16. To deal with these special traffic conditions the whole of the Hardwar station and its passenger enclosures were remodelled and additional facilities were given at other stations. Four temporary crossing stations were constructed to allow of the easier movement of traffic, and 33 miles of line were doubled for the same purpose. For the benefit of the pilgrims we set up a broadcasting station near Hardwar town which gave the latest information regarding railway arrangements. For the first time in the history of this Mela return tickets were issued for all classes at concession rates, and I am glad to say that this concession proved most popular. Over four lakhs of rupees were spent

on these arrangements apart from the cost of permanent alterations to the Hardwar station, but I cannot regard this as an extravagant outlay in view of the fact that our gross earnings from the Mela are estimated at Rs. 28 lakhs.

17. Closely related to the foregoing question of the relations between the railways and the public is the rate policy of our railway administrations. The Railway publicist presses upon us that a general reduction in railway rates is the only sure means of meeting road competition. This is a plea that has been so persistently urged that I think it desirable that I should take this opportunity of stating the railway point of view. I suspect that the authors of the suggestion have not considered the problem as a whole. They have in their mind the comparatively high-rated commodities in which road transport is interested and they forget the low-rated commodities which the railways carry at charges considerably lower than could be quoted by any other form of transport. I would remind Honourable Members that the railway rate structure is based largely on the principle of "value of service" or, in more familiar terms, on the principle of " what the traffic can bear." On this basis the charges for different commodities are graded in accordance with the value of these commodities. This was not an unsatisfactory scheme until alternative means of transport arrived. The position of the railways was roughly this, that what we lost on the roundabouts we make up upon the swings. To give a concrete case, we were prepared to bring to a centre of manufacturing activity at very low rates the relatively cheap raw materials of the industry. We looked forward to making up for our generosity—let us call it—by transporting to the appropriate markets the much more valuable manufactured article. This policy was designed, and has in fact operated, as a stimulus to manufacturing activities in India. But since the time when the rate structure of the Indian railways was built up, an external and important factor has come into being. The rate structure was designed on

the theory that the railways were monopoly carriers. But now we have competitors and these competitors own swings but contract no losses on the roundabouts. The intrusion of road motor transport with its charges based only on the bare cost of transport without overheads for track construction and with the ability to select the traffic which it carries has disturbed the harmony and balance of the railway rate system, especially in respect of high grade traffic. To meet road competition which, having none of the general obligations laid upon the railways, has concentrated on the cream of the traffic, the railway administrations have not been slow to quote special rates in particular areas, but it is obviously not a proposition which can be justified on any grounds, practical or theoretical, that road competition can be met by a universal reduction in rates. Railway rates in India are low, the average rate per ton being amongst the lowest in the world. It can hardly be urged that we have been making excessive profits at the expense of the general public. We have our financial obligations which we must meet and if over and above that obligation we make a profit, it goes not to the individual capitalist but into central revenues to the relief of the general taxpayer, or as at present arranged, to the assistance of provincial administrations whose financial necessities are only too well known to all of us.

18. From time to time there arises on the floor of this House the question as to what is the policy of the Government of India in regard to taking over company-managed lines as and when their contracts determine. I have endeavoured to indicate that there can be no hard and fast policy in these matters and that on each occasion it is for consideration whether the taking over of the railway is, from the point of view of the general ratepayer, a good financial proposition. We have recently been called upon to make a decision in respect of two such railways. The South Bihar Railway, operating over some 76 miles, is owned by the South-Bihar Railway Company and is leased

to Government at an annual rental of £30,000. By the terms of the contract the purchase price is fixed at £684,580 on which the rental works out at £4⅜ per cent. per annum. At the present low rate of borrowing the purchase of this railway is obviously a good proposition. Again, another small railway, the Hardwar-Dehra Railway, will be taken over in the course of the next year. The purchase price, approximately Rs. 43¼ lakhs, will, however, not be paid until 1940-41 and for this reason no budget provision has been made in the present year. This, as in the case of the South Bihar Railway, is an attractive proposition from the point of view of the taxpayer.

19. In my budget speech of last year I made mention of the efforts which were being made to win back, or to participate in, passenger traffic which had been lost to motor transport, and in particular I referred to a proposal to take an active part in road operations between Lyallpur and Jhang in the Punjab. A private limited company has been promoted in which the North Western Railway has a 60 per cent. share. This company is operating on a newly opened road on which the number of licences issued is limited by the orders of the Punjab Government. The company in which the North Western Railway is a substantial shareholder has been allotted 50 per cent. of those licences, and now after six months' operation our results are most encouraging. The Madras and Southern Mahratta Railway propose to embark on a similar investment by acquiring a 55 per cent. interest in a private limited company which will take over a considerable number of existing motor services and will develop new services. These are admittedly experimental operations on which the railways have invested about Rs. 1 lakh.

20. Honourable Members are also aware that we have had under contemplation the inauguration of rail-car services which by reason of their easy and economical operation appear to offer an effective method of competition with road services. Eleven rail-cars were ordered for the

North Western Railway and have just been received. I am unable, therefore, to report whether or not their operation has proved a success but they will shortly be placed in service in the Southern Punjab areas catering for lower class passengers only. We had hoped to extend our experiment to the Bombay, Baroda and Central India Railway also ; the recent rise in the cost of manufactured commodities has suggested that it might be better to wait a little longer before taking up this part of our programme.

21. I should not like it to be thought from what I have just said that the railways are die-hard opponents of road transport. We ask to be allowed to meet competition by fair means and in regard to the needs for genuine road development I claim that we are adopting a most reasonable and liberal attitude. I would give one notable example in which the spirit of co-operation and mutual accommodation between a Provincial Government and ourselves has resulted in a very remarkable step forward. For many years there has been an insistent demand for the building of a trunk road between Bombay City and Ahmedabad. Such a road must inevitably be in very direct competition with the main line of the Bombay, Baroda and Central India Railway. The Government of India were, therefore, reluctant to make any unconditional grants from the Central Road Fund for the purposes of this competitive highway. The Government of Bombay, however, very reasonably recognised our dilemma and have agreed so to control the traffic on the new road that it will not prove a menace to the old-established railway system. To this gesture of the Bombay Government we have given ready response, and an early result, I hope, will be an enormous improvement in land communications throughout the districts of Gujarat.

22. Another example of a co-ordinated road and rail programme is to be found in Sind. There we had what was practically a virgin field, and an officer on special duty was appointed to draw up a scheme for transport facilities by road and rail in that province. We for our part are

constructing new railways which will serve as the main arteries of trade serving the newly developed areas in Sind. Complementary to these main arteries are proposed some 10,000 miles of road, half of which will be direct feeders to the railway, the other half, for the most part, making for the development of local areas.

23. An issue which is very much in the public mind at the present moment—and I need hardly say occupies the attention of the Government of India and of the Railway Administrations—is that of public safety on the railways. I regret to have to record the occurrence of two major disasters in the year under review, and however much we may be convinced that these disasters arose from circumstances not within our control, this in no way lessens our sense of horror, or detracts from our sympathy with those who suffered. I do not wish to-day to enter upon any controversial topics, but I would ask our critics, both inside this House and elsewhere, not to forget our past record in respect of the safety of our railways. It is a psychological phenomenon not confined to India that a large scale disaster may in a moment destroy the public confidence built up over a long period of less eventful years. That confidence once destroyed is most difficult to restore, and I would ask that no unfair obstacle—I do not refer to legitimate criticism—be offered to that most difficult process. I venture to think that there is no cause for panic. For the quinquennium ending 31st March 1938—a period which included one of the most disastrous accidents in Indian railway history—the deaths resulting from railway accidents can be expressed in the ratio of one for every 17 million passengers carried, a figure which compares not unfavourably with that for any other country in the world. Can any other form of transport claim as much ? Comparisons are odious, but I would refer our critics to the very illuminating, but at the same time very distressing statistics set out in the Roughton Report on Motor Insurance.

24. It is, of course, impossible in the course of a speech like this to cover the whole field of railway activity in India. One can but touch on a few of the more important matters which are engaging our attention. But to those who seek for further information I recommend the interesting and comprehensive report of the Railway Board, the latest volume of which has just been published. There remains only for me now to express my thanks to those who here at headquarters and elsewhere throughout India have lent me their co-operation in the administration of this important department for which I am responsible.

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## Rules and Regulations for the Measurement for Tonnage of Cotton and other Goods in bales or packages under the orders of the Bombay Chamber of Commerce.

(*Adopted at a Special General Meeting of the Chamber, held on the 24th September* 1924.)

I. Whereas it is expedient to collate and amend the Rules and Regulations for the measurement of goods.

II. All such Rules and Regulations hitherto in force are hereby rescinded and the following are substituted therefor.

III. In the following Rules and Regulations and in any Orders that may from time to time be issued by the General Committee of the Chamber of Commerce under Rule XVII.—

(*a*) Measurer shall mean a measurer appointed by the Committee of the Chamber of Commerce for the purposes of these rules.

(*b*) Measurement shall mean measurement by such measurer.

(*c*) Shipper shall mean the person shipping the goods or his representative.

(*d*) Quay shall mean a place in the Docks or at one of the Bunders recognized for the regular shipment of goods.

(*e*) Vessel shall mean a vessel propelled by sail or steam and not being used for the conveyance of goods from the Quay to another vessel in the Port of Bombay.

(*f*) Boat shall mean a vessel, lighter or craft used for the conveyance of goods from the Quay to a vessel in the Port of Bombay.

(*g*) Package shall mean a bale, case, barrel, cask, bag or other receptacle subject to measurement.

(*h*) Consignment shall mean the whole quantity of one commodity subject to measurement to be shipped by one shipper in one vessel.

(*i*) Lot shall mean a package or number of packages forming part of a consignment and presented by one shipper at one time for measurement.

IV. Public Measurers shall be appointed under the authority of the Chamber of Commerce and stationed at the different quays to measure packages.

V. Fees, the amount of which shall from time to time be fixed under the Orders of the General Committee of the Chamber of Commerce, shall be levied in accordance with such Orders on all goods presented for measurement.

VI. No measurements shall be held good except such as are taken by a Measurer and with instruments bearing the stamp of the Chamber of Commerce.

VII. Such instruments shall be supplied and issued to the Measurers by the Chamber of Commerce.

VIII. All instruments shall be submitted to the Secretary of the Chamber of Commerce at intervals to be prescribed by the Committee and a register of such inspections shall be kept.

IX. Measurers shall be responsible for the good order of their instruments and for the prompt return to the Secretary of the Chamber of such as are defective or doubtful.

X. The Chamber's stamp borne by instruments that are found by the Secretary to be defective shall be by him defaced.

XI. Instruments on which the Chamber's stamp has been defaced may be re-stamped under the directions of the Secretary when they are in good order.

XII. Certificates of measurements shall be issued to shippers and/or to Ship Agents in such form and in such manner as the Committee for the time being shall from time to time provide.

XIII. Provided always that the Measurer may withhold or recall such certificate on his having reasonable cause to believe that an irregularity in the matter of shipment has been or is being committed in respect of the goods to which such certificate relates.

XIV. The goods measured shall be alongside the vessel within thirty-six hours after measurement, weather permitting, or the certificate shall be void and the packages shall be remeasured on board, written notice being given by the owner, agent or master of the ship to the Shipper and to the Measurer respectively.

XV. Shippers shall as far as possible see that their goods are so arranged for measurement as not to retard the work of the Measurers.

XVI. The salaries of the Measurers and all other expense connected with this system of measurement shall be paid by the Chamber of Commerce from the Fee Fund raised under these Rules.

XVII. The Committee of the Chamber of Commerce are hereby authorized to appoint and maintain such staff of Measurers and Assistants, to fix and to pay such salaries to that staff, to fix and to collect such fees, to issue and from time to time to modify such orders, and to do all other such acts and things as may in their opinion be necessary for the proper and economical working of the system in conformity with the general principles herein laid down.

## Orders for the Conduct of Measurement of Goods for Tonnage by Public Measurers in the Port of Bombay.

*(Issued by the Committee of the Bombay Chamber of Commerce in pursuance of Section XVII of the Rules and Regulations adopted at a Special General Meeting of the Chamber held on the 24th September* 1924.)

(1) All Orders hitherto in force for the governance of Measurers are hereby rescinded and the following are instituted.

(2) The Measurers shall be in attendance on the Quays to which they are appointed whenever there are goods to be measured. During the busy season Measurers are expected to be on duty early and late.

(3) All Measurement Fees shall be paid to the Measurement Fee Clerk, and no goods shall be measured without the production of the Customs House Pass bearing the endorsement of the said clerk to the effect that the fees have been paid.

(4) The certificates of measurement issued in conformity with Rule XII shall show—

(*a*) the date, hour and place of measurement;
(*b*) the name of the shipper;
(*c*) the name of the vessel;
(*d*) the port of destination;
(*e*) the number and description of packages;
(*f*) the marks;
(*g*) the measurement;

and in the case of goods shipped by boats—

(*h*) the registered number of the boat;
(*i*) the name of the tindal.

The certificates of measurement shall be issued by the Measurers and shall in every case be signed by the Measurer who measured the goods.

(5) The whole of the packages forming a consignment of not more than thirty-two packages must be deposited on the Quay before measurement is taken.

(6) Consignments of more than thirty-two packages may be presented for measurement in lots of not less than thirty-two packages provided always that each lot, as soon as it is measured, is loaded into boats or shipped and that no unmeasured lot is mixed with a measured lot. Provided also that a final lot of less than thirty-two packages, being the complement of a consignment of more than thirty-two packages, may be measured separately.

(7) Shippers failing to have each lot as soon as measured loaded into boats or shipped ; or shippers mixing unmeasured goods with measured goods or permitting them to be mixed ; or shippers retarding the work of the Department by failing to move with reasonable promptitude the bales required by the Measurer to be moved for the proper performance of his duties ; or shippers attempting to elude these regulations, any such persons or their representatives may be required by the Measurer to deposit on the Quay the whole complement of their consignment before measurement is taken. In all cases when such requisition is made, the Measurer making it shall briefly report in writing to the Secretary the name of the shipper against whom, the goods in respect of which and the reason for which, it has been made.

(8) A Measurer withholding or recalling a certificate under Section XIII of the Rules and Regulations adopted on the 24th September 1924 shall likewise briefly report to the Secretary in writing.

(9) No goods shall be measured otherwise than on a Quay excepting under the special conditions contemplated under Rule XIV and Order 22.

(10) Each and every package in a lot of packages not of uniform dimensions shall be measured individually. This Rule shall not apply to lots of pressed bales from various presses if the shipper arrange such diverse bales according to their respective dimensions separately on the Quay.

(11) In regard to packages of uniform dimensions the Measurer shall use his judgment as to the proportion of such goods he should measure; but such proportion shall in no case be less than five per centum of each lot. Care must be taken by the Measurers that they are not induced to measure packages that do not fairly represent the average.

(12) In no case shall a shipper's man or men be allowed to put the callipers on a package. A peon of the Chamber holding the callipers may, when standing exactly in front, pull them tight with his hands but not when standing on one side, nor shall he ever be allowed to pull the callipers towards his chest or side or to put his shoulder to them.

(13) In measurement for length, care must be taken that the legs of the callipers touch the ground and that bales when being measured lie in the same position as when in the press. Measurement of bales for depth and breadth shall be taken on the ends, half the number of bales being measured on the marked end and half on the other end.

(14) Measurers when measuring pressed bales shall ascertain whether all are from one press or not, and under orders (10) and (11) of these orders shall further ascertain how many bales there are from each press and shall give measurement accordingly and show on the certificate the number of bales to which each measurement relates.

(15) In cases where the shipper shall hand to the Measurer a letter from the owner, agent or master of the vessel authorizing the Measurer to accept for measurement and calculation of average such packages as the said shipper may reserve for such measurement, the Measurer shall measure the packages so reserved and give a certificate on the basis of their measurement, provided that such packages represent not less than five per centum of the entire consignment.

(16) The scale of measurement fees leviable under Rules V and XVII shall be as follows :—

(*a*) On Cotton, Wool, Hemp, Aloe Fibre, Twist (white and coloured), Rags, and waste in pressed bales—pies 6 per bale.

(*b*) On Round Timber or Logs—each annas 8.

(*c*) On Gunny bales from Calcutta, Hide and Skins, Piecegoods, and all goods not included under (*a*) and (*b*), packages of divers dimensions—annas 2 per package.

Subject to a rebate of anna one per package on the Measurers certifying that the lot measured consisted of not less than 50 packages all of uniform dimensions.

(*d*) On goods of any description measured on board a vessel—annas 2 per package.

(*e*) When the work of the Department admits of such an arrangement, the exclusive services of a Measurer for a day may be secured on payment to the Secretary of a fee of Rs. 10.

(*f*) The attendance of a Measurer on a Sunday or one of the Charter-Party Holidays when the Docks are closed may be secured on application to the Secretary, accompanied by the sum of Rs. 15 which shall be paid by him to the Measurer appointed by him to attend. The fee of Rs. 15 shall cover the services of one Measurer for one ship. If two Measurers are applied for two fees of Rs. 15 must be paid at the time of application. If a Measurer is required to work on more than one steamer a separate fee of Rs. 15 must be paid in respect of each steamer.

(*g*) The attendance of a Measurer for night duty may be secured in the same manner as above.

(17) All disputes as to the applicability of Order 16 (*d*) under Rule XIV shall be referred to the Weather Working Days Committee of the Chamber and the decision of that Committee shall be final. With respect to Order 16 (*d*) a refund of pies 6 per package will be made on declaration of the said Committee, remitted on the invitation of the claimant that the state of the weather during the thirty-six hours of grace allowed had been such as to justify the shipper's delay in bringing the goods alongside.

(18) Refund of measurement fees in full shall be made in respect of a consignment or portion of a consignment shut out after measurement.

(19) In respect of Round Timber and Logs, the measurement to be certified, in accordance with Order 4 (*g*), shall be as follows :—

Length in feet and inches : As found with tape.

Breadth : The mean of two measurements taken with callipers at thickest and thinnest portions.

Depth : The mean of two measurements taken with callipers at thickest and thinnest portions.

The certificate shall also show under Order 4 (*a*) not only the time at which the work of measurement was commenced, but the time at which it was completed. On application to the Secretary supported by evidence of time as here provided refund will be made of the difference between the fee as prescribed under Order (16) (*b*), and a charge of Rupees Two for every hour or part of an hour actually occupied in measurement.

(20) Refund of Measurement Fees shall not be made for any sum less than three Rupees.

(21) All claims for Refund of Measurement Fees shall be made to the Secretary of the Chamber of Commerce who shall allow or disallow such claims in conformity with these Orders, but no claim for Refund of Measurement Fees shall be allowed unless presented within one month from the date of the sailing of the vessel concerned.

(22) Each Measurer shall keep a Dispute Book and it shall be competent for any shipper or the owner, agent or master of a vessel who disputes the correctness of a measurement given in respect of goods being shipped by him to call for the said Dispute Book, which the Measurer shall produce at once, and to enter therein a claim to have the goods in question or any portion of them remeasured. And on the said shipper or the owner, agent or master of a vessel depositing with the Measurer the sum of annas 2 for each package to be measured, the Measurer shall at once remeasure such package or packages in such a manner that the shipper or the owner, agent or master of a vessel can

see whether the measurement is correctly taken and shall give to the shipper or the owner, agent or master of a vessel a certificate of the measurement so found and write thereon the words " Protested Certificate. Fee paid Rs....." and the sum so paid. The Measurer shall immediately thereafter forward to the Secretary a statement of the case together with the amount of the Fee received.

Provided that on any of the stations where more than one measurer is employed, the Measurer whose measurements are disputed shall, immediately after receiving the protest and fee, call another Measurer who shall make the remeasurement in the manner above laid down, shall issue the " Protested Certificate " and forward the necessary statement to the Secretary.

(23) Should a shipper demand remeasurement under Order 22 and should such remeasurement, in the opinion of the Secretary, show the original measurement not to have been substantially correct, the extra fee of annas 2 per package shall be refunded to the shipper on demand and the case reported to the Committee.

(24) Every Measurer shall receive a book of Measurement Slips together with indeliable pencil and carbon paper for making such slip in quadruplicate. The Measurer will hand to the shippers at the time of measurement the original and the third carbon copy ; the first carbon copy will be handed to the ship agent's representative on demand and the second carbon copy will be retained for the Chamber's records.

Provided that when goods are shipped in boats for delivery alongside the said first carbon copy, belonging to the ship's agent, shall be handed to the boatman from whom it should be obtained by the ship's officers.

## COAL.

*Imports of Coal into Bombay by Sea and Rail.*

The following return of the Imports of Coal into Bombay by Sea and Rail in the years 1932 to 1938 is printed for the information of members :—

| From | 1932. | 1933. | 1934. | 1935. | 1936. | 1937. | 1938. |
|---|---|---|---|---|---|---|---|
| *By Sea.* | Tons. | Tons. | Tons. | Tons. | Tons | Tons. | Tons. |
| Europe .. .. .. | 11,758 | 2,945 | 6,145 | 6,190 | 5,875 | 14,240 | 9,611 |
| Australia.. .. .. | 2,000 | 2,130 | 6,852 | 1,800 | 4,584 | 2,751 | .. |
| Japan .. .. .. | .. | 335 | .. | .. | 1,325 | 469 | 98 |
| Africa .. .. .. | .. | 3,920 | .. | 7,143 | 15,805 | 8,643 | 14,552 |
| Other Foreign Countries. | .. | .. | .. | .. | .. | .. | .. |
| Calcutta .. .. .. | 461,834 | 419,238 | 411,572 | 466.790 | 447,377 | 215,058 | 341,951 |
| Total—By Sea .. | 475,592 | 428,568 | 424,569 | 481,923 | 474,966 | 241,161 | 366,212 |
| Total—By Rail .. | 26,136 | 19,526 | 19,234 | 19.875 | 22,022 | 130,113 | 167,845 |
| Grand Total .. | 501,728 | 448,094 | 443,803 | 501,798 | 496,988 | 371,274 | 534,057 |

## WHEAT.

The total area reported for the season 1937-38 was 35,635,000 acres as against 33,215,000 acres the previous year, or an increase of 2,420,000 acres or 7.3 per cent. The total yield of the crop was estimated at 10,780,000 tons as compared with 9,752,000 tons the previous year or an increase of 1,028,000 tons or 10.5 per cent.

The following figures show the total Acreage and Outturn of Wheat in each official year from 1892-93 to 1937-38 :—

| Years | Area (in thousand Acres). | Outturn (in thousand Tons). |
|---|---|---|
| 1892-93 .. .. | 27,759 | 7,649 |
| 1893-94 .. .. | 28,717 | 7,269 |
| 1894-95 .. .. | 28,422 | 6,999 |
| 1895-96 .. .. | 24,071 | 5,380 |
| 1896-97 .. .. | 20,580 | 5,363 |
| 1897-98 .. .. | 24,538 | 7,208 |

WHEAT STATISTICS—*contd.*

| Years | Area (in thousand Acres). | Outturn (in thousand Tons). |
|---|---|---|
| 1898-99 .. .. | 25,370 | 6,838 |
| 1899-1900 .. .. | 18,688 | 5,357 |
| 1900-01 .. .. | 23,868 | 7,094 |
| 1901-02 .. .. | 23,446 | 6,091 |
| 1902-03 .. .. | 23,433 | 7,971 |
| 1903-04 .. .. | 28,413 | 9,641 |
| 1904-05 .. .. | 28,470 | 7,582 |
| 1905-06 .. .. | 26,296 | 8,579 |
| 1906-07 .. .. | 28,536 | 8,159 |
| 1907-08 .. .. | 22,806 | 6,104 |
| 1908-09 .. .. | 26,068 | 7,598 |
| 1909-10 .. .. | 28,018 | 9,591 |
| 1910-11 .. .. | 30,490 | 10,041 |
| 1911-12 .. .. | 31,141 | 9,925 |
| 1912-13 .. .. | 29,524 | 9,715 |
| 1913-14 .. .. | 28,475 | 8,358 |
| 1914-15 .. .. | 32,475 | 10,091 |
| 1915-16 .. .. | 30,320 | 8,652 |
| 1916-17 .. .. | 32,940 | 10,234 |
| 1917-18 .. .. | 35,487 | 9,922 |
| 1918-19 .. .. | 23,798 | 7,508 |
| 1919-20 .. .. | 29,949 | 10,122 |
| 1920-21 .. .. | 25,783 | 6,706 |
| 1921-22 .. .. | 28,207 | 9,830 |
| 1922-23 .. .. | 30,844 | 9,982 |
| 1923-24 .. .. | 31,181 | 9,660 |
| 1924-25 .. .. | 31,774 | 8,866 |
| 1925-26 .. .. | 30,471 | 8,696 |
| 1926-27 .. .. | 31,303 | 8,973 |
| 1927-28 .. .. | 32,193 | 7,791 |
| 1928-29 .. .. | 31,973 | 8,591 |
| 1929-30 .. .. | 31,654 | 10,469 |
| 1930-31 .. .. | 32,189 | 9,305 |
| 1931-32 .. .. | 33,803 | 9,024 |
| 1932-33 .. .. | 32,970 | 9,449 |
| 1933-34 .. .. | 35,992 | 9,414 |
| 1934-35 .. .. | 34,490 | 9,728 |
| 1935-36 .. .. | 33,639 | 9,420 |
| 1936-37 .. .. | 33,215 | 9,752 |
| 1937-38* .. .. | 35,635 | 10,780 |

* Subject to revision.

## Estimate of the Wheat Crop of the Season 1937-38. Share of each Province and State of Area and Yield for 1936-37 and 1937-38. (000's omitted).

| Provinces and States. | Area. | | | Yield. | | | Increase or Decrease in the Current Year over. | | | | Yield per Acre. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Area. | | Yield. | | | |
| | Current Year 1937-38. | Previous Year 1936-37. | Average of preceding 5 Years. | Current Year 1937-38. | Previous Year 1936-37. | Average of preceding 5 Years. | Previous Year 1936-37. | Average of preceding 5 Years. | Previous Year 1936-37. | Average of preceding 5 Years. | 1937-38. | 1936-37. |
| | Acres. | Acres. | Acres. | Tons. | Tons. | Tons. | Per cent. | Per cent. | Per cent. | Per cent. | Lbs. | Lbs. |
| *British Provinces.* | | | | | | | | | | | | |
| Punjab | 9,945 | 9,399 | 9,156 | 3,724 | 3,395 | 2,892 | + 5.8 | + 8.6 | + 9.7 | +28.8 | 838 | 814 |
| United Provinces | 7,800 | 7,484 | 7,694 | 2,777 | 2,468 | 2,537 | + 4.2 | + 1.4 | +12.5 | + 9.5 | 797 | 738 |
| Central Provinces and Berar | 3,358 | 3,140 | 3,483 | 673 | 600 | 687 | + 6.9 | — 3.6 | +12.2 | — 2.0 | 448 | 428 |
| Bombay | 1,827 | 1,654 | 1,770 | 301 | 289 | 320 | +10.5 | + 3.2 | + 4.2 | — 5.9 | 369 | 391 |
| Bihar | 1,098 | 1,129 | 1,202 | 433 | 435 | 471 | — 2.7 | — 8.7 | — 0.5 | — 8.1 | 883 | 863 |
| North-West Frontier Province | 1,028 | 1,066 | 1,019 | 268 | 291 | 246 | — 3.6 | + 0.9 | — 7.9 | + 8.9 | 584 | 611 |
| Sind | 1,155 | 931 | 940 | 368 | 311 | 253 | +24.1 | +22.9 | +18.3 | +45.5 | 713 | 748 |
| Bengal | 161 | 149 | 143 | 45 | 44 | 40 | + 8.1 | +12.6 | + 2.3 | +12.5 | 626 | 661 |
| Delhi | 55 | 52 | 48 | 23 | 19 | 16 | + 5.8 | +14.6 | +21 1 | +43.7 | 937 | 818 |
| Ajmer-Merwara | 21 | 19 | 26 | 7 | 6 | 7 | +10.5 | —19.2 | +16.7 | .. | 747 | 707 |
| Orissa | 4 | 3 | 2 | 1 | 1 | 1 | +33.3 | +100.0 | .. | .. | 560 | 746 |
| Total British Provinces | 26,452 | 25,026 | 25,483 | 8,620 | 7,859 | 7,470 | + 5.7 | + 3.8 | + 9.7 | +15.4 | 729 | 703 |
| *Indian States* | | | | | | | | | | | | |
| Punjab States | 1,526 | 1,468 | 1,405 | 496 | 468 | 439 | + 4.0 | + 8.6 | + 6.0 | +13.0 | 728 | 714 |
| United Province State (Rampur) | 108 | 127 | 122 | 30 | 35 | 30 | —15.0 | —11.5 | —14.3 | .. | 622 | 617 |
| *Eastern Agency States | 76 | 75 | 97 | 13 | 12 | 16 | + 1.3 | —21.6 | + 8.3 | —18.7 | 383 | 358 |
| Bombay States | 493 | 430 | 455 | 165 | 112 | 131 | +14.7 | + 8.4 | +47.3 | +26.0 | 798 | 583 |
| Sind State (Khairpur) | 107 | 84 | 64 | 42 | 27 | 22 | +27.4 | +67.2 | +55.6 | +90.9 | 879 | 720 |
| Central India States | 2,276 | 1,912 | 2,147 | 384 | 339 | 373 | +19.0 | + 6.0 | +13.3 | + 2.9 | 378 | 397 |
| Gwalior State | 1,662 | 1,423 | 1,534 | 389 | 334 | 332 | +16.8 | + 8.3 | +16.5 | +17.2 | 524 | 526 |
| Rajputana States | 1,499 | 1,284 | 1,472 | 415 | 346 | 369 | +16.7 | + 1.8 | +19.9 | +12.5 | 620 | 604 |
| Hyderabad State | 1,355 | 1,308 | 1,275 | 200 | 200 | 155 | + 3.6 | + 6.3 | .. | +29.0 | 331 | 343 |
| Baroda State | 79 | 76 | 72 | 26 | 20 | 23 | + 3.9 | + 9.7 | +30.0 | +13.0 | 737 | 589 |
| Mysore State | 2 | 2 | 2 | (a) | (b) | (b) | .. | .. | .. | .. | 486 | 560 |
| Total Indian States | 9,183 | 8,189 | 8,645 | 2,160 | 1,893 | 1,890 | +12.1 | + 6.2 | +14.1 | +14.3 | 526 | 517 |
| Grand Total | 35,635 | 33,215 | 34,128 | 10,780 | 9,752 | 9,360 | + 7.3 | + 4.4 | +10.5 | +15.2 | 677 | 657 |

(a) 400 tons. (b) 500 tons. * Formerly Central Provinces States.

The fluctuations in the total Exports of Wheat from British India to Foreign Countries during the last 57 years are as shown below :—

(1881-82 to 1937-38)

| Years. | Tons. | Rs. | Years. | Tons. | Rs. |
|---|---|---|---|---|---|
| 1881-82 .. | 995,050 | 8,62,00,618 | 1910-11 .. | 1,266,150 | 12,95,82,291 |
| 1882-83 .. | 709,688 | 6,08,88,136 | 1911-12 .. | 1,361,166 | 13,34,84,580 |
| 1883-84 .. | 1,050,070 | 8,89,58,112 | 1912-13 .. | 1,660,163 | 17,69,37,226 |
| 1884-85 .. | 792,494 | 6,31,60,182 | 1913-14 .. | 1,202,205 | 13,13,33,561 |
| 1885-86 .. | 1,053,446 | 8,00,53,311 | 1914-15 .. | 706,383 | 8,32,04,161 |
| 1886-87 .. | 1,113,181 | 8,62,59,856 | 1915-16 .. | 652,879 | 8,44,06,594 |
| 1887-88 .. | 676,908 | 5,56,23,733 | 1916-17 .. | 748,913 | 9,15,34,812 |
| 1888-89 .. | 880,570 | 7,52,32,794 | 1917-18 .. | 1,454,374 | 19,00,27,665 |
| 1889-90 .. | 690,110 | 5,79,26,147 | 1918-19 .. | 476,103 | 6,75,30,929 |
| 1890-91 .. | 716,024 | 6,04,24,260 | 1919-20 .. | 8,642 | 20,36,604 |
| 1891-92 .. | 1,515,335 | 14,38,20,022 | 1920-21 .. | 237,665 | 4,10,03,185 |
| 1892-93 .. | 748,672 | 7,44,03,835 | 1921-22 .. | 80,809 | 1,46,82,887 |
| 1893-94 .. | 607,842 | 5,19,39,850 | 1922-23 .. | 220,194 | 3,44,02,127 |
| 1894-95 .. | 344,506 | 2,56,62,468 | 1923-24 .. | 638,252 | 9,11,80,928 |
| 1895-96 .. | 500,208 | 3,91,43,765 | 1924-25 .. | 1,111,691 | 17,19,49,952 |
| 1896-97 .. | 95,531 | 83,64,498 | 1925-26 .. | 211,637 | 3,60,24,737 |
| 1897-98 .. | 119,630 | 1,34,11,515 | 1926-27 .. | 175,949 | 2,71,07,422 |
| 1898-99 .. | 976,024 | 9,71,96,877 | 1927-28 .. | 299,733 | 4,40,57,408 |
| 1899-1900 . | 485,204 | 3,90,94,963 | 1928-29 .. | 114,707 | 1,69,23,702 |
| 1900-01 .. | 2,501 | 3,00,832 | 1929-30 .. | 12,971 | 21,24,473 |
| 1901-02 .. | 366,090 | 3,25,59,204 | 1930-31 .. | 196,505 | 1,94,87,643 |
| 1902-03 .. | 514,607 | 4,51,53,570 | 1931-32 .. | 20,215 | 15,12,460 |
| 1903-04 .. | 1,295,565 | 11,08,89,546 | 1932-33 .. | 2,194 | 3,82,265 |
| 1904-05 .. | 2,150,025 | 17,90,60,692 | 1933-34 .. | 2,060 | 3,26,964 |
| 1905-06 .. | 939,523 | 8,53,43,996 | 1934-35 .. | 10,962 | 10,60,578 |
| 1906-07 .. | 801,445 | 7,25,44,650 | 1935-36 .. | 9,590 | 9,48,076 |
| 1907-08 .. | 880,459 | 8,58,50,350 | 1936-37 .. | 231,505 | 2,09,59,009 |
| 1908-09 .. | 109,757 | 1,34,00,777 | 1937-38 .. | 459,806 | 4,62,39,164 |
| 1909-10 .. | 1,050,574 | 12,70,90,884 | | | |

## COTTON, 1937-38.

The preliminary Government forecast issued in August 1937 and relating to about 79 per cent. of the total area indicated an acreage of 15,225,000 acres as compared with 15,259,000 acres (revised) at the corresponding period in 1936, a decrease of 0.2 per cent.

The final estimate issued in a supplementary memorandum at the end of April 1938 for the whole of India was 25,583,000 acres as compared with 24,759,000 acres (revised) for the season 1936-37, an increase of 3 per cent.

Government estimated the final yield at 5,663,000 bales as compared with 6,204,000 bales (revised) for the season 1936-37, a decrease of 9 per cent. Private estimates, as usual, were nearly a million bales higher without taking into account the 750,000 bales put down for domestic consumption.

The following figures show the movement of cotton through Bombay during the season 1937-38 :—

| | Bales. |
|---|---|
| Stocks on 1st September 1937 including mill stocks as estimated by the East India Cotton Association, Ltd. .. .. .. | 681,892 |
| * Arrivals during the year ending 31st August 1938. .. .. .. .. | 2,553,178 |
| Total .. | 3,235,070 |

* These do not include arrivals by road.

Exports during the year ending 31st August 1938 :—

| By Sea— | Bales. |
|---|---|
| United Kingdom .. .. .. .. | 68,072 |
| Continent .. .. .. .. .. | 285,042 |
| America .. .. .. .. .. | 525 |
| China .. .. .. .. .. | 85,014 |

| | Bales. |
|---|---|
| Japan .. .. .. .. .. | 718,252 |
| Other Foreign Countries and Coast Ports.. | 63,611 |
| | 1,220,516 |
| By rail to up-country .. .. .. | 394,568 |
| Total .. | 1,615,084 |
| Bombay Mill consumption .. .. .. | 1,036,992 |
| Total .. | 2,652,076 |
| † Estimated carry-over on 31st August 1938. | 582,994 |
| Total .. | 3,235,070 |

† The East India Cotton Association, Ltd., estimated the stocks on 31st August, 1938, at 913,542 bales. The difference may be accounted for by the omission of the figures of the arrivals by road.

Exports by sea to Foreign Countries in 1937-38 as compared with 1936-37 were as follows :—

| | 1937-38. Bales. | 1936-37. Bales. | Difference per cent. |
|---|---|---|---|
| United Kingdom .. | 68,072 | 82,124 | —17.11 |
| Continent .. .. | 285,042 | 404,335 | —29.50 |
| Japan .. .. | 718,252 | 1,544,541 | —53.49 |
| China .. .. | 85,014 | 46,200 | +84.01 |
| America .. .. | 525 | 8,910 | —94.10 |

The production of a colossal crop of 18,946,000 bales in America and the Sino-Japanese conflict very adversely affected the Indian cotton export trade.

The season opened with Broach April/May at Rs. 187½, Oomra December/January at Rs. 169¾ and Bengal December/January at Rs. 142½. The publication of the Washington Bureau Report on 8th September 1937 indicating a crop of 16,098,000 bales created a very bearish feeling in the market. Cotton prices registered a sharp decline and as each subsequent estimate of the American crop gave an yield figure considerably bigger than the one previously indicated, cotton prices in Bombay and elsewhere declined continuously. The lowest price of the year was reached on 9th October 1937 when Broach April/May contract stood at Rs. 152¼, Oomra December/January at Rs. 136 and Bengal December/January at Rs. 123½.

In view of the situation created by the superabundant supply of cotton in America which, owing to its cheapness, was competing very seriously with Indian descriptions, Indian markets were faced with the problem of disposing of the crop grown in this country. The first few months of the season showed that exports were falling off considerably. Japan, normally India's best buyer, was unable to find anything like the foreign exchange required for normal cotton imports. Continental buyers having covered the bulk of their requirements in American cotton which was cheap on parity, were restricting their purchases of Indian varieties to the absolute minimum. Prospects for the Indian cotton export trade, therefore, were the poorest known for years. The one bright spot in an otherwise gloomy picture of cotton trade in India was the prosperous condition of the Indian mill industry. Indian mills, benefiting considerably not only in India but elsewhere by Japan's diminished exports of cloth, increased production to a point which resulted in a record offtake of Indian cotton of about 35 lakhs bales. If it were not for these large scale purchases of Indian cotton by mills in India at a time when her export trade had sunk to such a low level, India would have been saddled at the end of the season with a carry-over of over 2 million bales.

From the beginning of 1938 the weight of the Indian crop began to tell and the parity of Indian cotton widened until by the 30th June the Broach July/August—New York July spread was Rs. 46¾. The widest Broach July/August—Liverpool July parity was Rs. 59½ on 7th July.

The liquidation of the long interest in America in May 1938, resulted in a sharp break in prices. The Bombay market also carrying a long interest, followed the decline fully and the low points of the season were touched on 31st May with Broach July/August contract at Rs. 139⅞, Oomra July at Rs. 125¾ and Bengal July at Rs. 104½. In June and July prices recovered to some extent and the season closed on 31st August 1938 with Broach April/May 1939 quoted at Rs. 154¼, Oomra December/January at Rs. 137¼ and Bengal December/January at Rs. 116⅝.

The following table gives details of arrivals into Bombay by Sea and Rail (arrivals by Road are not included) during the season with the total of the five previous years. (Actual weight converted into Bales of 3½ cwts. in each, after allowing 2 per cent. for tare in the case of receipts by rail.) Season ending 31st August in each case :—

| Varieties. | 1937-38. | 1936-37. | 1935-36. | 1934-35. | 1933-34. | 1932-33. |
|---|---|---|---|---|---|---|
| | Bales. | Bales. | Bales. | Bales. | Bales. | Bales. |
| Khandeish .. .. .. .. | 53,986 | 206,505 | 308,848 | 254,473 | 326,265 | 220,402 |
| Central India .. .. .. .. | 53,231 | 338,845 | 291,231 | 110,745 | 243,550 | 208,096 |
| Barsi Nugger .. .. .. .. | 150,436 | 174,497 | 176,300 | 108,816 | 171,299 | 134,595 |
| Hyderabad Gaorani .. .. .. | 40,380 | 101,682 | 41,660 | 46,802 | 51,146 | 55,949 |
| Berar .. .. .. .. .. | 335,987 | 579,602 | 344,040 | 403,738 | 502,736 | 471,173 |
| Central Provinces .. .. .. | 87,123 | 114,551 | 99,823 | 96,808 | 117,698 | 136,713 |
| Dhollera .. .. .. .. | 160,279 | 183,099 | 335,935 | 196,518 | 156,431 | 297,573 |
| North-West Provinces .. .. | 3,112 | 10,399 | 63,996 | 35,306 | 9,184 | 8,246 |
| Rajputana .. .. .. .. | 16,929 | 97,443 | 115,558 | 51,925 | 61,623 | 84,484 |
| Sind Punjab .. .. .. .. | 528,924 | 354,809 | 473,626 | 335,372 | 190,913 | 107,256 |
| Broach .. .. .. .. .. | 267,780 | 343,200 | 413,597 | 133,579 | 252,100 | 327,831 |
| Compta/Dharwars .. .. .. | 86,276 | 74,887 | 112,062 | 94,076 | 92,421 | 96,406 |
| Westerns/Northerns .. .. .. | 30,522 | 40,743 | 78,565 | 74,629 | 65,472 | 75,428 |
| Cocanada .. .. .. .. | 23 | 155 | 201 | 435 | 475 | 115 |
| Tinnevelly and Cambodia .. .. | 9,639 | 22,333 | 20,629 | 86,593 | 52,368 | 61,326 |
| Persians .. .. .. .. | 12 | 14 | 9 | 2,686 | 2,829 | 8,063 |
| Americans .. .. .. .. | 178,188 | 20,546 | 27,023 | 75,235 | 26,622 | 75,196 |
| Egyptians .. .. .. .. | (*d*) 207,314 | (*c*) 181,525 | (*b*) 81,236 | (*a*) 134,623 | 49,971 | 32,745 |
| Africans, East .. .. .. .. | 341,809 | 284,248 | 185,218 | 258,070 | 143,304 | 133,448 |
| Comilla, Burmah and other Sorts .. | * 1228 | † 246 | 482 | 1,155 | 28 | 188 |
| Total .. | 2,553,178 | 3,129,329 | 3,170,039 | 2,501,584 | 2,516,435 | 2,535,233 |

(*a*) Including 23,089 bales from Port Soudan.
(*b*) „ 18,883 „ „ „ „
(*c*) Including 79,824 bales from Port Soudan.
(*d*) „ 68,000 „ „ „ „

* Consisting 1,107 bales of Burmah, 69 bales of Calcutta and 52 bales of Turkistan Cotton.
† Including 106 bales of Russian Cotton.

The following table gives the Actual Clearances of Cotton by Sea from Bombay to different Countries during the years ending 31st August from 1931-32 to 1937-38 :—

| To | 1937-38. | 1936-37. | 1935-36. | 1934-35. | 1933-34. | 1932-33. | 1931-32. |
|---|---|---|---|---|---|---|---|
| | Bales. | Bales. | Bales. | Bales. | Bales. | Bales. | Bales. |
| United Kingdom .. .. .. | 68,072 | 82,124 | 121,770 | 66,261 | 66,598 | 66,812 | 25,053 |
| France .. .. .. .. .. | 64,768 | 51,374 | 75,686 | 51,864 | 64,600 | 101,935 | 21,202 |
| Belgium .. .. .. .. .. | 92,987 | 139,178 | 120,656 | 68,611 | 73,430 | 91,075 | 32,957 |
| Holland .. .. .. .. .. | 11,717 | 18,504 | 11,918 | 8,781 | 13,318 | 10,200 | 5,641 |
| Sweden .. .. .. .. .. | 42 | 150 | 62 | 84 | 61 | 140 | .. |
| Denmark .. .. .. .. .. | 330 | 505 | 330 | 220 | 110 | .. | 27 |
| Germany .. .. .. .. .. | 42,391 | 74,634 | 93,136 | 47,727 | 35,117 | 37,280 | 20,092 |
| Hungary .. .. .. .. .. | 230 | .. | .. | .. | .. | .. | .. |
| Jugoslavia .. .. .. .. .. | 33 | .. | .. | .. | .. | .. | .. |
| Poland .. .. .. .. .. | 6,976 | 8,795 | 8,021 | 5,107 | 7,237 | 1,925 | .. |
| Portugal .. .. .. .. .. | 690 | 3,871 | 1,375 | 165 | 110 | .. | 45 |
| Spain .. .. .. .. .. | 1,500 | .. | 36,944 | 33,848 | 29,665 | 23,207 | 15,355 |
| Italy .. .. .. .. } | 48,676 | 94,344 | 37,089 | 111,228 | { 88,158 | 86,123 | 30,237 |
| Fiume .. .. .. .. } | | | | | { 1,100 | 896 | 782 |
| Switzerland .. .. .. .. | 815 | .. | 110 | .. | .. | .. | .. |
| Roumania .. .. .. .. | .. | 385 | .. | .. | .. | .. | .. |
| Lithuania .. .. .. .. | 363 | 1,687 | 20 | .. | .. | .. | .. |
| Finland .. .. .. .. .. | .. | 15 | .. | .. | .. | .. | .. |
| Czechoslovakia .. .. .. .. | 8,125 | 1,413 | .. | .. | .. | .. | .. |
| Yugoslavia .. .. .. .. | 17 | 55 | 330 | .. | .. | .. | .. |
| Bulgaria .. .. .. .. .. | 1,272 | 3,375 | 3,193 | .. | .. | .. | .. |
| Latvia .. .. .. .. .. | 269 | 470 | 20 | .. | .. | .. | .. |
| United Kingdom, Belgium, Holland or Germany (for orders) .. .. .. | .. | 330 | 550 | 4,915 | 1,581 | 2,180 | 1,600 |
| Greece .. .. .. .. .. | 3,871 | 5,250 | 4,855 | 13,793 | 14,936 | 4,707 | 50 |
| United States of America .. .. | 525 | 8,910 | 3,517 | 626 | .. | .. | 25 |
| China (Including Indo-China) .. | 85,014 | 46,200 | 94,937 | 86,178 | 157,595 | 135,415 | 209,936 |
| Japan .. .. .. .. .. | 718,252 | 1,544,541 | 1,369,308 | 1,085,376 | 978,368 | 1,064,636 | 552,508 |
| Other Foreign Countries .. .. | 5,024 | 5,654 | 3,703 | 4,686 | 844 | 2,448 | 3,180 |
| Indian Ports—Calcutta and Coast Ports. | 58,597 | 38,755 | 26,680 | 28,514 | 22,448 | 27,357 | 35,135 |
| Total .. | 1,220,516 | 2,130,519 | 2,014,210 | 1,617,984 | 1,555,276 | 1,656,336 | 953,825 |

*Comparative Statement showing the Actual Clearances of Cotton from Bombay by Sea to different Ports during the Calendar Years* 1938 *and* 1937.

| To | 1938 Six months ending 30th June. | 1938 Six months ending 31st Dec. | 1938 Total for 12 months. | 1937 Six months ending 30th June. | 1937 Six months ending 31st Dec. | 1937 Total for 12 months. | Increase or Decrease. | Percentage. |
|---|---|---|---|---|---|---|---|---|
| **United Kingdom—** | Bales. | Bales. | Bales. | Bales. | Bales. | Bales. | Bales. | |
| London | 25 | .... | 25 | .... | 75 | 75 | — 50 | |
| Liverpool | 14,805 | 11,533 | 26,338 | 20,755 | 3,378 | 24,133 | + 2,205 | |
| Liverpool or Manchester | 250 | .... | 250 | 274 | .... | 274 | — 24 | |
| Manchester | 32,196 | 15,087 | 47,283 | 38,940 | 7,821 | 46,761 | + 522 | — .46 |
| Glasgow | 145 | .... | 145 | 100 | 125 | 225 | — 80 | |
| Dundee | .... | .... | .... | .... | 90 | 90 | — 90 | |
| Port Said (*for orders*) | .... | .... | .... | A 2,829 | .... | 2,829 | — 2,829 | |
| **France—** | | | | | | | | |
| Marseilles | 4,720 | 2,859 | 7,579 | 7,798 | 2,020 | 9,818 | — 2,239 | |
| Havre | 11,587 | 6,363 | 17,950 | 9,062 | 4,184 | 13,246 | + 4,704 | +38.76 |
| Dunkirk | 29,447 | 18,218 | 47,665 | 21,858 | 7,824 | 29,682 | + 17,983 | |
| **Belgium—** | | | | | | | | |
| Ghent | 25,788 | 15,296 | 41,084 | 47,110 | 15,183 | 62,293 | — 21,209 | |
| Antwerp | 33,257 | 12,945 | 46,202 | 48,618 | 21,053 | 69,671 | — 23,469 | — 34.41 |
| Antwerp, Hamburg, Bremen, etc. (*optional*) | .... | .... | .... | B 1,031 | B 100 | 1,131 | — 1,131 | |
| **Germany—** | | | | | | | | |
| Hamburg | 14,805 | 18,930 | 33,735 | 31,045 | 13,467 | 44,512 | — 10,777 | |
| Bremen | 4,431 | 8,753 | 13,184 | 18,005 | 1,361 | 19,366 | — 6,182 | |
| Warburg | .... | .... | .... | 55 | .... | 55 | — 55 | |
| Port Said (*for orders*) | .... | 2,979 | 2,979 | .... | .... | .... | + 2,979 | — 25.35 |
| Hamburg, Bremen, Dunkirk, etc. (*optional*) | G 330 | G 668 | 998 | G 3,698 | 550 | 4,248 | — 3,250 | |
| **Holland—** | | | | | | | | |
| Enschede | 835 | 330 | 1,165 | .... | 250 | 250 | + 915 | — 41.17 |
| Rotterdam | 5,228 | 3,710 | 8,938 | 12,085 | 4,840 | 16,925 | — 7,987 | |
| **Denmark—** | | | | | | | | |
| Vejle | 220 | .... | 220 | 395 | .... | 395 | — 175 | — 34.65 |
| Copenhagen | 110 | .... | 110 | 110 | .... | 110 | .... | |

**A**—For United Kingdom. **B**—For Belgium. **G**—For Germany.

*Comparative Statement showing the Actual Clearances of Cotton from Bombay by Sea to different Ports* —contd.

| To | 1938 Six months ending 30th June. | 1938 Six months ending 31st Dec. | 1938 Total for 12 months. | 1937 Six months ending 30th June. | 1937 Six months ending 31st Dec. | 1937 Total for 12 months. | Increase or Decrease. | Percentage. |
|---|---|---|---|---|---|---|---|---|
| | Bales. | Bales. | Bales. | Bales. | Bales. | Bales. | Bales. | |
| **Sweden—** | | | | | | | | |
| Norrkoping .. .. | .... | 3 | 3 | 75 | 75 | 150 | — 147 | — 72.00 |
| Stockholm .. .. | 39 | .... | 39 | .... | .... | .... | + 39 | |
| **Roumania** | | | | | | | | |
| Constantsa .. .. | .... | .... | .... | .... | 385 | 385 | — 385 | .... |
| **Finland—** | | | | | | | | |
| Abo .. .. .. | .... | .... | .... | .... | 15 | 15 | — 15 | .... |
| **Lithuania—** | | | | | | | | |
| Memel (Klaipeda) .. | 107 | 131 | 238 | 1,258 | 299 | 1,557 | — 1,319 | — 84.71 |
| **Poland—** | | | | | | | | |
| Gdynia .. .. .. | 3,074 | 1,927 | 5,001 | 4,326 | 4,453 | 8,779 | — 3,778 | — 43.03 |
| **Latvia—** | | | | | | | | |
| Riga .. .. .. | 195 | 74 | 269 | 445 | 25 | 470 | — 201 | — 42.76 |
| **Spain—** | | | | | | | | |
| Pasages .. .. .. | 407 | 622 | 1,029 | .... | .... | .... | + 1,029 | |
| Malaga .. .. .. | 90 | 15 | 105 | .... | .... | .... | + 105 | |
| Gijon .. .. .. | 34 | 86 | 120 | .... | .... | .... | + 120 | .... |
| Coruna .. .. .. | 70 | 63 | 133 | .... | .... | .... | + 133 | |
| Santander .. .. | 79 | 14 | 93 | .... | .... | .... | + 93 | |
| Bilbao .. .. .. | 20 | .... | 20 | .... | .... | .... | + 20 | |
| **Portugal—** | | | | | | | | |
| Oporto .. .. .. | .... | 65 | 65 | 1,913 | 330 | 2,243 | — 2,178 | — 87.36 |
| Lisbon .. .. .. | 110 | 165 | 275 | 760 | .... | 760 | — 485 | |
| Leixoes .. .. .. | 110 | .... | 110 | 558 | .... | 558 | — 448 | |

*Comparative Statement showing the Actual Clearances of Cotton from Bombay by Sea to different Ports* —contd.

| To | 1938 Six months ending 30th June. | 1938 Six months ending 31st Dec. | 1938 Total for 12 months. | 1937 Six months ending 30th June. | 1937 Six months ending 31st Dec. | 1937 Total for 12 months. | Increase or Decrease. | Per-centage. |
|---|---|---|---|---|---|---|---|---|
| | Bales. | Bales. | Bales. | Bales. | Bales. | Bales. | Bales. | |
| **Italy—** | | | | | | | | |
| Genoa .. .. .. | 11,821 | 2,118 | 13,939 | 17,597 | 6,778 | 24,375 | — 10,436 | |
| Naples .. .. .. | 1,885 | .... | 1,885 | 2,945 | 1,885 | 4,830 | — 2,945 | |
| Venice .. .. .. | 8,084 | 3,120 | 11,204 | 6,383 | 3,518 | 9,901 | + 1,303 | |
| Leghorn .. .. .. | .... | .... | .... | 100 | .. | 100 | — 100 | |
| Mestre .. .. .. | .... | 800 | 800 | 110 | 315 | 425 | + 375 | |
| Fiume .. .. .. | 947 | 1,421 | 2,368 | 1,115 | 386 | 1,501 | + 867 | — 55.51 |
| Trieste .. .. .. | 3,618 | 2,690 | 6,308 | 29,833 | 12,558 | 42,391 | — 36,083 | |
| Venice, Trieste, Mestre or Fiume .. .. | 443 | 1,595 | 2,038 | 2,415 | 370 | 2,785 | — 747 | |
| Naples or Genoa .. | .... | .... | .... | 330 | .... | 330 | — 330 | |
| **Hungary—** | | | | | | | | |
| Via Trieste .. .. | 175 | 385 | 560 | .... | .... | .... | + 560 | .... |
| Via Fiume .. .. | 55 | .... | 55 | .... | .... | .... | + 55 | |
| **Jugoslavia—** | | | | | | | | |
| Via Trieste .. .. | 33 | .... | 33 | .... | .... | .... | + 33 | .... |
| **Czechoslovakia—** | | | | | | | | |
| Via Hamburg .. .. | 1,335 | 1,175 | 2,510 | 350 | 1,214 | 1,564 | + 946 | +143.87 |
| Via Trieste .. .. | 4,455 | 783 | 5,238 | 330 | 1,283 | 1,613 | + 3,625 | |
| **Yugo-Slavia—** | | | | | | | | |
| Susak .. .. .. | .... | .... | .... | 55 | .... | 55 | — 55 | — 69.09 |
| *Via* Thessaloniki .. | .... | 17 | 17 | .... | .... | .... | + 17 | |
| **Bulgaria—** | | | | | | | | |
| Varna .. .. .. | 118 | 110 | 228 | 605 | 385 | 990 | — 762 | — 74.34 |
| Bourgas .. .. .. | 520 | 135 | 655 | 1,718 | 734 | 2,452 | — 1,797 | |
| **Switzerland—** | | | | | | | | |
| *Via* Genoa .. .. | 595 | .... | 595 | .... | .... | .... | + 595 | .... |
| *Via* Venice .. .. | 165 | .... | 165 | .... | 55 | 55 | + 110 | |
| **Greece—** | | | | | | | | |
| Piraeus .. .. .. | .... | .... | .... | 75 | .... | 75 | — 75 | + 15.27 |
| Thessaloniki (Salonica).. | 2,457 | 1,853 | 4,310 | 2,600 | 1,064 | 3,664 | + 646 | |

*Comparative Statement showing the Actual Clearances of Cotton from Bombay by Sea to different Ports* —concld.

| To | 1938. Six months ending 30th June. | 1938. Six months ending 31st Dec. | 1938. Total for 12 months. | 1937. Six months ending 30th June. | 1937. Six months ending 31st Dec. | 1937. Total for 12 months. | Increase or Decrease. | Per-centage. |
|---|---|---|---|---|---|---|---|---|
| | Bales. | Bales. | Bales. | Bales. | Bales. | Bales. | Bales. | |
| **United States of America**— | | | | | | | | |
| New York .. .. | .... | .... | .... | 100 | .... | 100 | — 100 | |
| Boston .. .. .. | 200 | 325 | 525 | 3,727 | 300 | 4,027 | — 3,502 | |
| Savannah .. .. | .... | .... | .... | 600 | .... | 600 | — 600 | |
| Seattle .. .. .. | .... | .... | .... | 240 | .... | 240 | — 240 | |
| Norfolk .. .. .. | .... | .... | .... | 250 | .... | 250 | — 250 | — 92.81 |
| Los Angeles .. .. | .... | .... | .... | 1,750 | .... | 1,750 | — 1,750 | |
| San Francisco .. .. | .... | .... | .... | 25 | .... | 25 | — 25 | |
| Vancouver .. .. | .... | .... | .... | 127 | .... | 127 | — 127 | |
| Portland .. .. | .... | .... | .... | 185 | .... | 185 | — 185 | |
| **Australian Ports** .. .. | 449 | 532 | 981 | 610 | 2,371 | 2,981 | — 2,000 | — 67.09 |
| **Japanese Ports** .. .. | 506,687 | 532,742 | 1,039,429 | 955,677 | 226,002 | 1,181,679 | — 142,250 | — 12.03 |
| **Chinese Ports** .. .. | 24,116 | 25,000 | 49,116 | 12,650 | 43,729 | 56,379 | — 7,263 | — 12.88 |
| **Korea**—Fusan, Gensan, Mokpho, &c. .. .. | 29,416 | 5,223 | 34,639 | .... | .... | .... | + 34,639 | .... |
| **Indo-China**—Haiphong .. | 3,000 | 1,700 | 4,700 | 11,500 | 553 | 12,053 | — 7,353 | — 61.00 |
| **Siam**—Bangkok .. .. | .... | 500 | 500 | .... | .... | .... | + 500 | .... |
| **Ceylon**—Colombo .. .. | 1,724 | 1,098 | 2,822 | 1,999 | 1,292 | 3,291 | — 469 | — 14.25 |
| **Iraq**—Busrah .. .. | 53 | 115 | 168 | 30 | 191 | 221 | — 53 | — 23.98 |
| **Arabia**—Yembo, Jeddah, Debai and Koweit .. | 44 | 10 | 54 | 8 | 64 | 72 | — 18 | — 25.00 |
| **Aden** .. .. .. | .... | .... | .... | 1 | .... | 1 | — 1 | .... |
| **Palestine**—Jaffa, Haiffa, Tel-Aviv .. .. | 6 | .... | 6 | 18 | 143 | 161 | — 155 | — 96.27 |
| **Africa**—Port Said, Mauritius, Alexandria, Zanzibar, etc. .. .. | 46 | 8 | 54 | 29 | 423 | 452 | — 398 | — 88.05 |
| **India**—Calcutta and Coast Ports .. .. .. | 28,055 | 18,531 | 46,586 | 24,579 | 32,700 | 57,279 | — 10,693 | — 18.66 |
| Total .. | 813,016 | 722,822 | 1,535,838 | 1,353,769 | 426,216 | 1,779,985 | Net Decrease 244,147 | or 13.71% |

# COTTON.

RECEIPTS at, and Exports from, Bombay Port, also Mill Consumption in the Island of Bombay, since 1864

In thousands of Bales (000's omitted).

| Year ending 30th June. | Receipts. | EXPORTS TO | | | Mill Consumption. | Total. | Year ending 30th June. | Receipts. | EXPORTS TO | | | Mill Consumption. | Total. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Europe. | Elsewhere. | Total. | | | | | Europe. | Elsewhere. | Total. | | |
| 1864 .. | .. | 867 | 3 | 870 | American War. In 1863 and 1864 Bombay imported Cotton from China. | | 1888 .. | 1,472 | 893 | 58 | 951 | 500 | 1,451 |
| | | | | | | | 1889 .. | 1,851 | 1,286 | 46 | 1,332 | 565 | 1,897 |
| | | | | | | | 1890 .. | 2,235 | 1,488 | 71 | 1,559 | 636 | 2,195 |
| | | | | | | | 1891 .. | 2,020 | 1,070 | 107 | 1,177 | 762 | 1,939 |
| 1865 .. | .. | 1,065 | 1 | 1,066 | | | 1892 .. | 1,770 | 905 | 202 | 1,107 | 728 | 1,835 |
| 1866 .. | .. | 1,187 | 14 | 1,201 | 42 | 1,243 | 1893 .. | 1,738 | 816 | 169 | 985 | 724 | 1,709 |
| 1867 .. | .. | 1,277 | 5 | 1,282 | 46 | 1,328 | 1894 .. | 1,769 | 908 | 159 | 1,067 | 731 | 1,798 |
| 1868 .. | .. | 1,030 | 48 | 1,078 | 47 | 1,125 | 1895 .. | 1,540 | 525 | 143 | 668 | 815 | 1,483 |
| 1869 .. | .. | 1,225 | 56 | 1,281 | 48 | 1,329 | 1896 .. | 2,151 | 800 | 346 | 1,146 | 849 | 1,995 |
| 1870 .. | .. | 1,115 | 50 | 1,165 | 49 | 1,214 | 1897 .. | 1,612 | 603 | 405 | 1,008 | 703 | 1,711 |
| 1871 .. | .. | 967 | 39 | 1,006 | 50 | 1,056 | 1898 .. | 1,730 | 424 | 409 | 833 | 817 | 1,650 |
| 1872 .. | 1,085 | 1,002 | 48 | 1,050 | 52 | 1,102 | 1899 .. | 2,033 | 578 | 520 | 1,098 | 951 | 2,049 |
| 1873 .. | 1,151 | 1,079 | 34 | 1,113 | 53 | 1,166 | 1900 .. | 988 | 117 | 444 | 561 | 745 | 1,306 |
| 1874 .. | 978 | 917 | 34 | 951 | 67 | 1,018 | 1901 .. | 1,896 | 620 | 340 | 960 | 696 | 1,656 |
| 1875 .. | 1,311 | 1,192 | 25 | 1,217 | 83 | 1,300 | 1902 .. | 2,142 | 525 | 732 | 1,257 | 987 | 2,244 |
| 1876 .. | 1,345 | 1,285 | 20 | 1,305 | 135 | 1,440 | 1903 .. | 2,454 | 921 | 349 | 1,270 | 986 | 2,256 |
| 1877 .. | 1,073 | 980 | 35 | 1,015 | 147 | 1,162 | 1904 .. | 2,151 | 1,036 | 423 | 1,459 | 973 | 2,432 |
| 1878 .. | 1,141 | 920 | 38 | 958 | 161 | 1,119 | 1905 .. | 2,609 | 384 | 664 | 1,048 | 1,072 | 2,120 |
| 1879 .. | 961 | 800 | 46 | 846 | 204 | 1,050 | 1906 .. | 2,663 | 1,017 | 477 | 1,494 | 1,141 | 2,635 |
| 1880 .. | 832 | 652 | 64 | 716 | 181 | 897 | 1907 .. | 2,949 | 1,169 | 747 | 1,916 | 1,116 | 3,032 |
| 1881 .. | 1,171 | 874 | 34 | 908 | 220 | 1,128 | 1908 .. | 2,123 | 731 | 454 | 1,185 | 1,079 | 2,264 |
| 1882 .. | 1,832 | 1,521 | 87 | 1,608 | 277 | 1,885 | 1909 .. | 2,166 | 643 | 723 | 1,366 | 1,099 | 2,465 |
| 1883 .. | 1,770 | 1,335 | 95 | 1,430 | 313 | 1,743 | 1910 .. | 3,152 | 1,054 | 968 | 2,022 | 984 | 3,006 |
| 1884 .. | 1,759 | 1,295 | 100 | 1,395 | 348 | 1,743 | 1911 .. | 2,467 | 1,014 | 668 | 1,682 | 953 | 2,635 |
| 1885 .. | 1,139 | 791 | 70 | 861 | 392 | 1,253 | 1912 .. | 2,540 | 383 | 923 | 1,306 | 1,078 | 2,384 |
| 1886 .. | 1,480 | 1,009 | 61 | 1,070 | 391 | 1,461 | | | | | | | |
| 1887 .. | 1,703 | 1,147 | 40 | 1,187 | 454 | 1,641 | | | | | | | |

## COTTON.

RECEIPTS at, and Exports from, Bombay Port, also Mill Consumption in the Island of Bombay, since 1864
In thousands of Bales (000's omitted). —*contd.*

| Year ending 31st August. | Receipts. | | Total Receipts. | Exports. | | | Total Exports. | Mill Consumption. | Total. |
|---|---|---|---|---|---|---|---|---|---|
| | India. | Foreign Countries. | | Europe. | China and Japan. | Elsewhere. | | | |
| 1913 .. .. | 2,733 | 46 | 2,779 | 534 | 1,023 | 30 | 1,587 | *1,072 | 2,659 |
| 1914 .. .. | 3,733 | 6 | 3,739 | 1,301 | 1,245 | 24 | 2,570 | 1,078 | 3,648 |
| 1915 .. .. | 2,683 | 5 | 2,688 | 405 | 1,441 | 15 | 1,861 | 1,026 | 2,887 |
| 1916 .. .. | 3,133 | 6 | 3,139 | 294 | 1,691 | 8 | 1,993 | 1,096 | 3,089 |
| 1917 .. .. | 3,103 | 17 | 3,120 | 302 | 1,321 | 7 | 1,630 | 1,136 | 2,765 |
| 1918 .. .. | 2,279 | 27 | 2,306 | 293 | 1,213 | 7 | 1,513 | 1,068 | 2,581 |
| 1919 .. .. | 2,525 | 18 | 2,543 | 195 | 885 | 11 | 1,091 | 1,000 | 2,091 |
| 1920 .. .. | 3,405 | 22 | 3,427 | 629 | 1,579 | 24 | 2,232 | 957 | 3,189 |
| 1921 .. .. | 2,786 | 116 | 2,902 | 494 | 1,381 | 26 | 1,901 | 1,061 | 2,962 |
| 1922 .. .. | 3,383 | 109 | 3,492 | 645 | 1,896 | 52 | 2,593 | 1,074 | 3,667 |
| 1923 .. .. | 3,611 | 61 | 3,672 | 851 | 2,086 | 53 | 2,990 | 1,060 | 4,050 |
| 1924 .. .. | 3,227 | 93 | 3,320 | 1,104 | 1,558 | 53 | 2,715 | 821 | 3,536 |
| 1925 .. .. | 3,573 | 95 | 3,668 | 713 | 2,021 | 33 | 2,767 | 995 | 3,762 |
| 1926 .. .. | 3,208 | 127 | 3,335 | 552 | 1,874 | 26 | 2,452 | 778 | 3,230 |
| 1927 .. .. | 2,692 | 474 | 3,166 | 419 | 1,539 | 27 | 1,985 | 995 | 2,980 |
| 1928 .. .. | 3,235 | 189 | 3,424 | 798 | 1,391 | 34 | 2,223 | 569 | 2,792 |
| 1929 .. .. | 3,233 | 123 | 3,356 | 906 | 1,796 | 61 | 2,763 | 631 | 3,394 |
| 1930 .. .. | 3,317 | 163 | 3,480 | 946 | 1,647 | 63 | 2,656 | 877 | 3,533 |
| 1931 .. .. | 2,933 | 470 | 3,403 | 599 | 1,903 | 27 | 2,529 | 839 | 3,368 |
| 1932 .. .. | 1,557 | 538 | 2,095 | 154 | 762 | 38 | 954 | 921 | 1,875 |
| 1933 .. .. | 2,286 | 249 | 2,535 | 426 | 1,200 | 30 | 1,656 | 798 | 2,454 |
| 1934 .. .. | 2,293 | 223 | 2,516 | 396 | 1,136 | 23 | 1,555 | 613 | 2,168 |
| 1935 .. .. | 2,031 | 471 | 2,502 | 413 | 1,171 | 34 | 1,618 | 885 | 2,503 |
| 1936 .. .. | 2,877 | 293 | 3,170 | 516 | 1,464 | 34 | 2,014 | 836 | 2,850 |
| 1937 .. .. | 2,643 | 486 | 3,129 | 487 | 1,591 | 53 | 2,131 | 828 | 2,959 |
| 1938 .. .. | 1,825 | 728 | 2,553 | 354 | 803 | 64 | 1,221 | 1,037 | 2,258 |

*N.B.*—As noted in the Chamber's Report for 1913, the figures shown above represent the volume of trade in cotton from 1st September to 31st August instead of for the year ending 30th June as was previously the case.

* Year ending 30th June.

## RAINFALL AT BOMBAY, 1843 TO 1938.

The following statement showing the Rainfall recorded at the Colaba Observatory, Bombay, for each month during the years 1843-1938, is published for the information of members :—

| Year. | January. | February. | March. | April. | May. | June. | July. | August. | September. | October. | November. | December. | Annual Total. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1843 | .. | .. | .. | .. | 0.15 | 7.61 | 20.62 | 17.70 | 8.39 | 0.77 | .. | .. | 55.24 |
| 1844 | 0.06 | 0.33 | .. | .. | .. | 18.58 | 29.28 | 5.91 | 8.05 | 0.40 | .. | 0.10 | 62.71 |
| 1845 | .. | .. | .. | .. | .. | 17.88 | 18.07 | 9.54 | 8.63 | .. | .. | .. | 54.12 |
| 1846 | .. | .. | .. | .. | .. | 26.41 | 33.19 | 6.65 | 6.65 | 1.03 | .. | .. | 73.93 |
| 1847 | 0.09 | 0.02 | .. | 0.31 | 1.40 | 37.56 | 16.46 | 8.68 | 5.68 | 0.28 | 5.53 | .. | 76.01 |
| 1848 | .. | .. | .. | 0.59 | 5.67 | 39.98 | 13.90 | 7.37 | 2.32 | 5.84 | 0.19 | .. | 75.86 |
| 1849 | 0.34 | .. | .. | .. | .. | 23.41 | 50.99 | 12.66 | 26.13 | 0.75 | 0.61 | .. | 114.89 |
| 1850 | .. | .. | .. | .. | .. | 14.80 | 20.15 | 5.39 | 4.77 | 4.89 | 0.25 | .. | 50.25 |
| 1851 | .. | .. | .. | .. | 0.52 | 24.50 | 47.02 | 20.03 | 3.89 | 0.04 | 0.07 | .. | 96.07 |
| 1852 | .. | .. | 0.01 | .. | 0.30 | 21.76 | 22.17 | 11.16 | 12.67 | 0.19 | .. | 1.01 | 69.27 |
| 1853 | .. | 0.05 | 0.02 | .. | .. | 33.76 | 13.05 | 5.95 | 9.83 | .. | .. | .. | 62.66 |
| 1854 | .. | .. | .. | .. | .. | 16.34 | 38.95 | 3.90 | 13.61 | 7.49 | 1.85 | .. | 82.14 |
| 1855 | .. | .. | .. | .. | .. | 29.18 | 11.83 | 3.82 | 5.29 | 9.06 | .. | .. | 50.18 |
| 1856 | .. | .. | .. | .. | 2.09 | 24.66 | 24.48 | 6.73 | 7.78 | 0.06 | .. | 0.12 | 65.92 |
| 1857 | .. | .. | .. | .. | 0.57 | 9.26 | 8.74 | 15.71 | 14.21 | 2.78 | .. | .. | 51.27 |
| 1858 | .. | .. | .. | 0.15 | 1.57 | 14.44 | 20.12 | 7.48 | 15.47 | 3.22 | .. | .. | 62.45 |
| 1859 | .. | .. | .. | .. | .. | 26.87 | 28.70 | 14.59 | 5.94 | 1.06 | .. | .. | 77.16 |
| 1860 | .. | .. | .. | .. | 0.03 | 21.97 | 22.39 | 7.11 | 8.15 | 2.50 | .. | .. | 62.15 |
| 1861 | .. | .. | .. | .. | 0.69 | 15.43 | 25.34 | 30.35 | 3.24 | 1.86 | .. | .. | 76.91 |
| 1862 | .. | .. | .. | .. | 0.01 | 22.31 | 15.10 | 12.65 | 21.69 | 1.42 | 0.45 | .. | 73.63 |
| 1863 | 0.41 | .. | .. | 0.11 | 0.07 | 23.41 | 30.78 | 10.60 | 9.98 | 2.32 | .. | .. | 77.68 |
| 1864 | .. | .. | .. | .. | 0.01 | 15.42 | 13.36 | 10.72 | 5.59 | .. | 0.47 | .. | 45.57 |
| 1865 | 0.38 | .. | .. | .. | .. | 10.61 | 18.28 | 36.42 | 4.86 | 6.16 | 1.14 | .. | 77.85 |
| 1866 | .. | 0.11 | .. | .. | .. | 13.47 | 40.34 | 20.34 | 3.44 | 0.74 | .. | .. | 78.44 |
| 1867 | .. | .. | .. | .. | .. | 8.70 | 39.39 | 12.21 | 6.80 | 5.07 | 0.13 | .. | 72.30 |
| 1868 | .. | .. | 0.01 | .. | .. | 13.52 | 20.43 | 20.29 | 7.71 | 0.14 | 0.02 | .. | 62.12 |
| 1869 | .. | .. | .. | .. | 0.03 | 26.22 | 23.89 | 15.24 | 22.56 | 3.55 | 0.05 | 0.12 | 91.66 |
| 1870 | .. | .. | 0.03 | 0.02 | .. | 21.73 | 26.43 | 6.27 | 7.08 | 4.65 | .. | .. | 66.21 |
| 1871 | 2.22 | .. | .. | .. | 1.25 | 8.91 | 9.96 | 8.95 | 6.01 | 0.25 | 2.97 | 0.06 | 40.58 |
| 1872 | .. | .. | .. | .. | 0.06 | 24.43 | 24.84 | 9.49 | 16.59 | 1.07 | .. | .. | 76.48 |
| 1873 | .. | 0.05 | .. | .. | 0.51 | 20.36 | 16.98 | 23.96 | 7.77 | 0.07 | .. | .. | 69.70 |
| 1874 | .. | .. | .. | .. | 0.05 | 18.68 | 41.24 | 11.14 | 11.05 | 0.02 | .. | .. | 82.18 |
| 1875 | 0.47 | .. | .. | .. | .. | 24.36 | 15.39 | 12.23 | 31.76 | .. | 0.35 | .. | 84.56 |
| 1876 | .. | .. | .. | .. | 0.01 | 12.97 | 23.69 | 8.66 | 4.68 | .. | .. | .. | 50.01 |
| 1877 | 0.22 | 0.52 | .. | .. | .. | 35.58 | 11.10 | 8.51 | 8.89 | 8.33 | .. | .. | 73.15 |
| 1878 | 0.03 | .. | .. | 0.02 | 0.02 | 19.99 | 48.33 | 20.46 | 16.42 | 4.89 | 2.61 | .. | 112.77 |
| 1879 | .. | .. | 0.03 | .. | 5.23 | 16.56 | 11.21 | 22.36 | 5.61 | 0.40 | .. | .. | 61.40 |
| 1880 | .. | 0.01 | 0.02 | .. | .. | 21.48 | 18.37 | 4.08 | 22.80 | 1.18 | .. | .. | 67.94 |
| 1881 | .. | .. | 0.04 | .. | 0.36 | 15.29 | 29.47 | 19.06 | 4.56 | 4.17 | 0.09 | .. | 73.04 |
| 1882 | .. | 0.04 | 0.02 | 0.08 | 0.02 | 27.54 | 26.94 | 3.36 | 10.08 | 1.12 | 0.03 | .. | 69.23 |
| 1883 | 0.12 | .. | .. | .. | 0.33 | 13.65 | 39.88 | 12.57 | 12.37 | 10.40 | 0.86 | .. | 90.18 |
| 1884 | 0.03 | .. | .. | .. | .. | 13.25 | 25.87 | 15.29 | 17.04 | 2.22 | 0.60 | 1.14 | 75.44 |
| 1885 | .. | .. | .. | .. | 0.02 | 5.11 | 21.81 | 25.42 | 12.01 | 3.54 | .. | .. | 67.91 |
| 1886 | .. | .. | .. | 0.01 | 0.96 | 43.45 | 35.79 | 10.69 | 6.54 | 1.69 | 0.61 | .. | 99.74 |
| 1887 | .. | .. | .. | 0.02 | 0.09 | 24.07 | 30.98 | 17.59 | 18.23 | 2.79 | 1.02 | 0.16 | 94.95 |
| 1888 | 1.85 | 0.02 | 0.10 | .. | .. | 15.76 | 22.47 | 11.43 | 4.92 | 0.11 | 1.16 | .. | 57.82 |
| 1889 | .. | .. | .. | .. | 0.67 | 19.89 | 30.45 | 10.32 | 2.71 | 3.80 | .. | .. | 67.84 |
| 1890 | .. | .. | .. | 0.01 | 0.06 | 24.55 | 21.54 | 10.61 | 6.45 | 0.58 | 1.25 | 1.13 | 66.18 |
| 1891 | .. | .. | 0.22 | .. | .. | 13.99 | 32.48 | 6.94 | 22.53 | 1.04 | .. | .. | 77.20 |
| 1892 | .. | .. | .. | .. | 0.11 | 13.30 | 23.86 | 36.56 | 18.73 | 1.89 | 0.67 | .. | 95.12 |
| 1893 | .. | 0.14 | .. | 0.02 | 6.30 | 21.47 | 16.14 | 13.55 | 7.54 | 0.45 | 1.63 | .. | 67.24 |
| 1894 | 0.22 | .. | 0.06 | 0.01 | .. | 16.87 | 26.16 | 8.40 | 12.04 | 3.08 | .. | 0.01 | 66.85 |
| 1895 | .. | 0.07 | .. | .. | 0.08 | 17.84 | 18.04 | 15.97 | 11.91 | 3.62 | 0.06 | .. | 67.59 |
| 1896 | .. | .. | .. | .. | 0.26 | 28.02 | 36.44 | 20.77 | 1.62 | 0.01 | 0.53 | .. | 87.65 |
| 1897 | 0.01 | .. | .. | .. | .. | 14.40 | 30.19 | 13.82 | 20.60 | 2.51 | 0.22 | .. | 81.75 |
| 1898 | .. | 0.17 | .. | .. | 0.16 | 27.21 | 20.72 | 5.28 | 19.94 | 0.48 | 0.13 | .. | 74.09 |
| 1899 | .. | .. | .. | 1.57 | 0.08 | 20.81 | 4.72 | 5.23 | 3.49 | .. | .. | .. | 35.90 |
| 1900 | .. | .. | .. | .. | .. | 18.26 | 25.75 | 17.62 | 7.49 | .. | .. | .. | 69.12 |
| 1901 | 0.74 | .. | .. | 0.04 | 0.01 | 25.36 | 32.70 | 14.27 | 1.81 | 0.39 | .. | .. | 75.32 |

| Year. | January. | February. | March. | April. | May. | June. | July. | August. | September. | October. | November. | December. | Annual Total. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1902 | .. .. | .. | .. | .. | .. | 9.77 | 16.96 | 16.53 | 27.11 | 0.78 | 0.01 | 0.81 | 71.99 |
| 1903 | .. .. | .. | 0.17 | .. | 7.79 | 19.75 | 24.82 | 18.23 | 7.82 | 5.91 | .. | .. | 84.42 |
| 1904 | .. .. | .. | 0.07 | .. | 0.02 | 15.10 | 10.14 | 5.72 | 1.81 | 0.56 | .. | .. | 33.42 |
| 1905 | .. .. | 0.08 | .. | .. | .. | 6.53 | 15.30 | 4.35 | 6.16 | 0.20 | 1.04 | .. | 33.56 |
| 1906 | .. .. | 0.15 | .. | .. | .. | 12.91 | 18.34 | 20.92 | 3.98 | .. | .. | .. | 56.30 |
| 1907 | .. .. | 0.27 | .. | 0.06 | .. | 22.48 | 59.05 | 15.99 | 2.26 | 0.67 | .. | .. | 100.73 |
| 1908 | .. 0.09 | 0.07 | 0.06 | .. | .. | 12.39 | 23.65 | 9.87 | 6.79 | 0.62 | .. | .. | 53.54 |
| 1909 | .. .. | .. | .. | .. | .. | 16.60 | 30.05 | 8.52 | 16.05 | .. | .. | .. | 71.22 |
| 1910 | .. .. | .. | .. | .. | 0.03 | 23.50 | 6.50 | 18.15 | 15.25 | 4.29 | 0.14 | .. | 67.86 |
| 1911 | .. 0.06 | .. | .. | .. | 0.04 | 10.85 | 15.24 | 17.09 | 2.96 | .. | 0.27 | .. | 46.51 |
| 1912 | .. .. | .. | .. | .. | 0.43 | 10.79 | 25.40 | 9.90 | 3.26 | 0.65 | 3.62 | .. | 54.05 |
| 1913 | .. .. | 0.07 | .. | .. | .. | 25.81 | 33.33 | 3.72 | 5.75 | 2.35 | .. | .. | 71.03 |
| 1914 | .. .. | 0.08 | .. | 0.07 | .. | 16.65 | 30.13 | 13.27 | 21.06 | 0.01 | 0.18 | .. | 81.45 |
| 1915 | .. .. | 0.30 | 0.69 | 0.06 | 0.36 | 39.78 | 14.62 | 8.45 | 10.78 | 2.55 | 0.02 | .. | 77.67 |
| 1916 | .. .. | .. | .. | 0.04 | 0.07 | 23.43 | 22.78 | 19.51 | 14.59 | 4.79 | 0.72 | .. | 85.93 |
| 1917 | .. .. | 1.68 | .. | .. | 0.88 | 14.96 | 13.26 | 32.18 | 16.92 | 19.96 | .. | .. | 99.84 |
| 1918 | .. .. | .. | 1.46 | .. | 11.00 | 10.82 | 4.25 | 4.81 | 3.11 | .. | 0.09 | .. | 35.54 |
| 1919 | .. 0.11 | .. | .. | .. | .. | 16.31 | 31.30 | 10.85 | 8.03 | 1.54 | 0.18 | .. | 68.32 |
| 1920 | .. 0.99 | 0.33 | .. | .. | .. | 8.16 | 22.00 | 5.18 | 4.05 | 0.34 | .. | .. | 41.05 |
| 1921 | .. .. | .. | .. | .. | .. | 26.74 | 35.68 | 10.36 | 13.02 | 0.22 | .. | .. | 86.02 |
| 1922 | .. .. | .. | .. | .. | .. | 26.48 | 31.15 | 5.08 | 6.95 | 0.61 | .. | 0.14 | 70.41 |
| 1923 | .. .. | 0.05 | .. | 0.02 | .. | 7.19 | 43.26 | 8.72 | 18.32 | .. | .. | .. | 77.56 |
| 1924 | .. .. | .. | .. | .. | .. | 7.46 | 16.73 | 15.43 | 12.13 | 0.06 | 0.38 | .. | 52.19 |
| 1925 | .. .. | .. | .. | .. | 2.76 | 27.86 | 8.38 | 7.71 | 3.52 | 0.22 | 0.37 | .. | 50.82 |
| 1926 | .. 2.99 | .. | .. | .. | 0.10 | 6.19 | 30.88 | 22.21 | 8.98 | 1.29 | .. | .. | 72.64 |
| 1927 | .. .. | 0.04 | 0.03 | .. | .. | 32.52 | 16.85 | 6.74 | 5.33 | 7.30 | 5.48 | 0.09 | 74.38 |
| 1928 | .. .. | 0.01 | .. | .. | .. | 27.71 | 30.93 | 16.65 | 9.91 | 0.43 | 0.09 | .. | 85.72 |
| 1929 | .. 0.63 | .. | 0.02 | 0.04 | .. | 25.45 | 16.08 | 6.06 | 5.58 | 4.82 | 0.22 | 0.86 | 59.76 |
| 1930 | .. .. | .. | .. | .. | 0.02 | 26.71 | 10.26 | 6.64 | 43.85 | 52.50 | .. | .. | 89.98 |
| 1931 | .. .. | .. | .. | 0.01 | .. | 6.08 | 47.50 | 23.71 | 4.48 | 13.07 | 2.40 | 0.69 | 97.94 |
| 1932 | .. .. | .. | .. | .. | .. | 10.62 | 35.30 | 6.96 | 11.13 | 9.01 | 0.01 | .. | 73.03 |
| 1933 | .. .. | .. | .. | .. | 2.85 | 10.29 | 14.13 | 18.81 | 12.31 | 3.04 | 0.01 | 0.93 | 62.37 |
| 1934 | .. .. | .. | .. | .. | .. | 28.5 | 21.4 | 14.00 | 5.00 | 0.20 | 3.80 | .. | 73.81 |
| 1935 | .. .. | .. | .. | .. | .. | 27.9 | 24.10 | 16.69 | 11.90 | 1.04 | 0.18 | .. | 81.60 |
| 1936 | .. .. | .. | .. | .. | 0.33 | 32.63 | 8.09 | 9.27 | 5.72 | 0.01 | 2.31 | .. | 58.36 |
| 1937 | .. .. | 0.50 | .. | 0.10 | .. | 18.32 | 30.40 | 5.40 | 14.20 | 1.70 | .. | .. | 70.62 |
| 1938 | .. .. | .. | .. | .. | 1.3 | 31.3 | 16.00 | 16.80 | 10.3 | 15.2 | 1.1 | .. | 92.00 |

## RAINFALL OF THE YEAR 1938.

The following table is compiled from the Reports issued by the Meteorological Department in order to present, in a condensed form, a definite record of the weather during the South-West Monsoon months of the past year and also during the whole year :—

| Division. | Station. | From 1st June to 31st Oct. 1938. | Departure from normal during period. | From 1st Jan. to 31st Dec. 1938. | Annual normal. |
|---|---|---|---|---|---|
| Bay Islands .. | Port Blair .. .. .. | 88.5 | +10.1 | 128.6 | 116 |
| Burma .. | Victoria Point .. .. | 146.5 | +18.8 | 176.8 | 166 |
| | Rangoon .. .. .. | 87.1 | + 5.5 | 120.1 | 99 |
| | Diamond Island .. .. | 95.0 | — 4.6 | 120.5 | 118 |
| | Akyab .. .. .. | 170.4 | —10.1 | 216.6 | 203 |

| Division. | Station. | From 1st June to 31st Oct. 1938. | Departure from normal during period. | From 1st Jan. to 31st Dec. 1938. | Annual normal. |
|---|---|---|---|---|---|
| BURMA | Mandalay | 20.6 | — 2.1 | 39.9 | 32 |
| ASSAM | Dibrugarh | 88.1 | +10.9 | 119.7 | 108 |
| | Sibsagar | 57.4 | — 6.9 | 88.5 | 96 |
| | Tezpur | 46.6 | — 6.6 | 60.7 | 74 |
| | Gauhati | 46.9 | + 1.3 | 64.1 | 65 |
| | Dhubri | 91.4 | +17.9 | 115.0 | 97 |
| | Silchar | 111.8 | +29.7 | 152.5 | 125 |
| BENGAL | Cox's Bazar | 120.3 | + 2.4 | 152.2 | 141 |
| | Chittagong | 95.7 | +14.4 | 122.8 | 103 |
| | Dacca (Narayanganj) | 61.0 | + 7.6 | 90.9 | 74 |
| | Barisal | 53.6 | — 9.3 | 78.2 | 82 |
| | Jessore | 37.6 | —11.6 | 70.7 | 66 |
| | Calcutta | 30.9 | —20.3 | 69.0 | 93 |
| | Saugor Island | 42.0 | —17.3 | 52.5 | 69 |
| | Burdwan | 44.2 | — 1.9 | 61.1 | 59 |
| | Berhampore | 52.6 | + 5.5 | 68.4 | 57 |
| | Mymensingh | 79.6 | + 9.2 | 96.5 | 93 |
| | Bogra | 65.5 | + 8.5 | 83.0 | 71 |
| | Dinajpur | 76.6 | +17.1 | 96.2 | 71 |
| | Jalpaiguri | 153.0 | +48.1 | 169.0 | 122 |
| ORISSA | Balasore | 48.7 | — 1.4 | 55.3 | 63 |
| | Chandbali | 50.8 | .. | 62.1 | 61 |
| | Cuttack | 41.8 | — 8.5 | 46.8 | 59 |
| | Gopalpur | 24.3 | —11.7 | 42.3 | 45 |
| | Sambalpur | 48.4 | —12.3 | 54.6 | 66 |
| CHOTA NAGPUR | Chaibasa | 30.8 | —12.5 | 38.7 | 52 |
| | Ranchi | 41.8 | — 7.8 | 49.9 | 57 |
| | Hazaribagh | 32.6 | —14.5 | 32.9 | 53 |
| | Daltonganj | 37.9 | — 2.4 | 41.5 | 45 |
| BIHAR | Purnea | 66.7 | +11.9 | 75.2 | 62 |
| | Darbhanga | 55.5 | .. | 61.2 | 50 |
| | Patna | 54.6 | +10.1 | 59.5 | 49 |
| | Gaya | 42.8 | — 0.8 | 45.9 | 47 |
| | Naya Dumka | 36.3 | —13.6 | 46.1 | 57 |
| UNITED PROVINCES, EAST. | Gorakhpur | 56.3 | +10.0 | 64.9 | 50 |
| | Benares | 35.5 | + 2.1 | 38.9 | 41 |
| | Allahabad | 50.4 | +14.1 | 53.1 | 39 |
| | Cawnpore | 49.5 | +16.2 | 50.2 | 36 |
| | Lucknow | 59.3 | +24.2 | 60.3 | 39 |
| | Bahraich | 89.8 | +49.3 | 95.5 | 45 |
| UNITED PROVINCES, WEST. | Jhansi | 35.7 | + 1.8 | 36.2 | 36 |
| | Agra | 17.3 | — 7.2 | 17.9 | 27 |
| | Mainpuri | 20.4 | — 3.6 | 23.0 | 27 |
| | Bareilly | 34.1 | — 5.3 | 35.8 | 44 |
| | Meerut | 16.8 | —10.8 | 22.7 | 32 |
| | Roorkee | 28.1 | — 7.8 | 34.2 | 42 |
| | Dehra Dun | 77.9 | + 3.9 | 85.9 | 88 |
| PUNJAB, EAST AND NORTH. | New Delhi | 9.4 | —13.6 | 12.8 | 27 |
| | Hissar | 5.2 | — 9.5 | 7.7 | 18 |
| | Ambala | 20.1 | — 4.1 | 24.7 | 30 |
| | Ludhiana | 8.5 | —13.8 | 14.0 | 29 |
| | Lahore | 7.6 | — 7.5 | 10.9 | 20 |
| | Sialkot | 28.0 | + 5.1 | 33.2 | 31 |
| | Rawalpindi | 33.8 | +10.8 | 42.4 | 35 |
| PUNJAB, SOUTH-WEST. | Khushab | 9.6 | — 0.1 | 11.5 | 15 |
| | Lyallpur | 7.1 | — 4.2 | 9.3 | 13 |
| | Montgomery | 5.0 | — 3.0 | 6.3 | 11 |
| | Leih | 4.0 | .. | .. | .. |
| | Multan | 3.0 | — 2.1 | 4.4 | 7 |
| | Fort Abbas | 3.4 | .. | 5.4 | .. |
| | Bahawalpur | 4.7 | + 0.9 | 5.3 | 6 |
| | Khanpur | 2.7 | — 2.1 | 3.6 | 7 |

| Division. | Station. | From 1st June to 31st Oct. 1938. | Departure from normal during period. | From 1st Jan. to 31st Dec. 1938. | Annual normal. |
|---|---|---|---|---|---|
| KASHMIR | Srinagar | 7.9 | — 0.9 | 24.8 | 26 |
| | Sonamarg | 25.8 | +10.2 | 90.9 | 71 |
| | Dras | 2.5 | — 0.8 | 40.3 | 22 |
| | Leh | 0.3 | — 1.3 | 0.9 | 3 |
| | Skardu | 0.6 | — 1.4 | 6.1 | 7 |
| | Gilgit | 1.6 | — 0.4 | 5.9 | 5 |
| N. W. FRONTIER PROVINCES. | Peshawar | 3.5 | — 1.3 | 9.5 | 14 |
| | Miranshah | 2.3 | .. | 9.0 | .. |
| | Dera Ismail Khan | 2.0 | — 3.4 | 6.9 | 9 |
| BALUCHISTAN | Fort Sandeman | 3.9 | — 1.7 | 9.4 | 11 |
| | Harnai | 7.2 | — 0.5 | 11.5 | 13 |
| | Quetta | 0.9 | .. | 10.3 | 10 |
| | Chaman | 0.3 | .. | 8.1 | 7 |
| | Kalat | 1.6 | + 0.3 | 8.3 | 7 |
| | Dalbandin | 0.8 | + 0.5 | 4.1 | 4 |
| | Nokkundi | .. | .. | 1.8 | .. |
| | Panjgur | .. | .. | 4.5 | 5 |
| | Pasni | 0.3 | — 0.8 | 4.7 | 6 |
| SIND | Jacobabad | 1.0 | — 1.4 | 1.5 | 4 |
| | Naushahro | 0.1 | .. | 0.9 | 4 |
| | Hyderabad | 3.6 | — 2.4 | 3.6 | 7 |
| | Karachi | 4.3 | — 1.6 | 4.7 | 8 |
| | Badin | 7.5 | .. | 7.5 | 9 |
| RAJPUTANA, WEST. | Sri Ganganagar | 11.5 | .. | 12.8 | .. |
| | Bikaner | 4.7 | 5.1 | 4.8 | 12 |
| | Jodhpur | 9.5 | — 2.9 | 9.5 | 14 |
| | Barmer | 4.1 | .. | 5.7 | 10 |
| RAJPUTANA, EAST. | Jaipur | 12.0 | —10.0 | 12.8 | 24 |
| | Ajmer | 8.8 | — 9.9 | 8.9 | 21 |
| | Kotah | 24.9 | — 1.3 | 25.5 | 28 |
| | Brijnagar | 29.2 | .. | 29.4 | 36 |
| | Udaipur | 22.3 | + 0.3 | 22.6 | 24 |
| GUJARAT | Deesa | 19.5 | — 4.3 | 19.6 | 25 |
| | Bhuj | 9.1 | — 4.6 | 9.1 | 14 |
| | Dwarka | 9.2 | — 3.6 | 9.5 | 13 |
| | Rajkot | 19.0 | — 6.4 | 21.3 | 26 |
| | Veraval | 17.5 | — 0.5 | 17.8 | 19 |
| | Surat | 42.9 | + 2.7 | 42.9 | 41 |
| | Bhavnagar | 20.2 | + 0.1 | 20.3 | 21 |
| | Ahmedabad | 19.4 | — 8.6 | 20.6 | 29 |
| | Dohad | 20.2 | .. | 25.1 | 29 |
| | Baroda | 34.5 | .. | 34.5 | .. |
| | Guna | 35.7 | .. | 38.7 | .. |
| CENTRAL INDIA, WEST. | Neemuch | 31.7 | + 4.2 | 31.9 | 29 |
| | Indore | 50.2 | +18.9 | 52.4 | 33 |
| | Bhopal | 51.7 | .. | 53.2 | 44 |
| CENTRAL INDIA, EAST. | Nowgong | 33.4 | — 6.6 | 35.5 | 42 |
| | Sutna | 37.4 | — 3.9 | 41.1 | 45 |
| BERAR | Akola | 48.6 | +11.9 | 41.2 | 31 |
| | Amraoti | 41.2 | +11.2 | 44.1 | 33 |
| | Khandwa | 31.9 | + 4.2 | 33.1 | 30 |
| | Hoshangabad | 61.6 | +15.5 | 62.9 | 49 |
| CENTRAL PROVINCES, WEST. | Saugor | 48.2 | + 6.2 | 51.0 | 44 |
| | Jubbulpore | 59.0 | + 7.7 | 61.6 | 55 |
| | Seoni | 48.0 | — 0.6 | 50.6 | 53 |
| | Nagpur | 56.2 | +11.4 | 59.8 | 49 |
| | Pendra | 48.1 | + 4.4 | 55.3 | 50 |
| CENTRAL PROVINCES, EAST. | Raipur | 55.8 | + 9.1 | 58.7 | 51 |
| | Kanker | 46.1 | .. | 53.9 | 51 |
| | Chanda | 58.2 | +10.5 | 59.3 | 51 |
| | Jagdalpur | 54.1 | — 2.3 | 63.0 | 64 |
| KONKAN | Bombay | 89.6 | +20.6 | 92.0 | 71 |
| | Ratnagiri | 135.0 | +37.7 | 141.4 | 100 |
| | Marmagoa | 85.5 | .. | 88.2 | .. |
| | Karwar | 104.7 | — 9.4 | 112.6 | 116 |

| Division. | Station. | From 1st June to 31st Oct. 1938. | Departure from normal during period. | From 1st Jan. to 31st Dec. 1938. | Annual normal. |
|---|---|---|---|---|---|
| Bombay Deccan | Jalgaon | 43.3 | .. | 46.4 | .. |
| | Malegaon | 26.9 | + 6.7 | 31.6 | 22 |
| | Ahmednagar | 35.3 | +15.8 | 44.0 | 22 |
| | Khandala | 225.3 | .. | 227.2 | .. |
| | Poona | 35.1 | +11.1 | 37.0 | 27 |
| | Sholapur | 40.3 | +15.8 | 43.9 | 29 |
| | Miraj | 22.5 | .. | 33.1 | 25 |
| | Bijapur | 27.9 | +10.7 | 31.1 | 21 |
| | Belgaum | 36.3 | — 7.2 | 42.1 | 50 |
| | Gadag | 20.6 | .. | 25.2 | 25 |
| Hyderabad, North. | Aurangabad | 38.9 | +14.1 | 42.5 | 27 |
| | Parbhani | 40.0 | +11.0 | 42.9 | 33 |
| | Nizamabad | 46.7 | + 9.9 | 50.2 | 40 |
| Hyderabad, South. | Gulbarga | 36.2 | + 9.2 | 42.0 | 31 |
| | Hyderabad (Bpt.) | 25.0 | — 2.1 | 28.3 | 32 |
| | Hanamkonda | 39.6 | + 9.2 | 44.3 | 33 |
| Mysore | Chitaldrug | 17.9 | + 0.3 | 21.2 | 25 |
| | Bangalore | 28.2 | + 2.9 | 31.5 | 35 |
| | Mysore | 15.9 | — 4.4 | 19.4 | 31 |
| Malabar | Mangalore | 121.7 | + 7.3 | 143.8 | 126 |
| | Calicut | 113.5 | +15.5 | 132.9 | 117 |
| | Cochin | 68.9 | —17.5 | 87.6 | 114 |
| | Trivandrum | 33.8 | — 5.8 | 56.0 | 65 |
| Madras South East. | Palamcottah | 7.7 | — 1.9 | 30.6 | 28 |
| | Pamban | 7.8 | — 3.9 | 26.5 | 37 |
| | Madura | 12.7 | — 7.8 | 28.3 | 33 |
| | Negapatam | 21.7 | + 0.7 | 48.1 | 55 |
| | Trichinopoly | 16.0 | — 2.5 | 22.9 | 33 |
| | Coimbatore | 8.3 | — 3.9 | 12.7 | 22 |
| | Salem | 24.7 | — 2.4 | 29.9 | 39 |
| | Cuddalore | 21.5 | — 5.1 | 33.9 | 52 |
| | Vellore | 28.0 | + 0.4 | 32.9 | 42 |
| | Madras | 21.8 | — 5.4 | 26.5 | 51 |
| Madras, Deccan | Cuddapah | 32.4 | + 8.4 | 33.4 | 31 |
| | Bellary | 21.4 | + 6.3 | 23.4 | 21 |
| | Kurnool | 21.3 | — 1.1 | 23.5 | 26 |
| | Anantapur | 27.2 | .. | 29.4 | 25 |
| | Rentichintala | 25.6 | .. | 28.7 | .. |
| Madras Coast, North. | Nellore | 28.6 | + 8.2 | 30.4 | 38 |
| | Masulipatam | 27.6 | — 4.6 | 32.1 | 42 |
| | Cocanada | 42.6 | +12.8 | 55.4 | 39 |
| | Vizagapatam | 35.5 | + 7.2 | 50.9 | 37 |
| | Calingapatam | 32.4 | — 2.0 | 40.1 | 42 |
| Hill Stations, excluding Kashmir and Baluchistan. | Shillong | 70.2 | + 7.5 | 94.6 | 84 |
| | Cherrapunji | 472.9 | +139.3 | 549.0 | 424 |
| | Darjeeling | 112.2 | — 0.3 | 132.1 | 131 |
| | Muktesar | 44.3 | + 4.0 | 52.6 | 52 |
| | Mussooree | 55.5 | —15.6 | 65.3 | 84 |
| | Simla | 41.6 | — 7.0 | 53.3 | 64 |
| | Dharampur | 46.0 | .. | 58.9 | .. |
| | Dalhousie | 48.5 | — 9.1 | 76.2 | 85 |
| | Murree | 42.4 | + 4.7 | 66.8 | 60 |
| | Cherat | 12.4 | + 0.6 | 22.9 | 27 |
| | Parachinar | 9.9 | .. | 27.4 | 29 |
| | Drosh | 2.7 | .. | 17.1 | 17 |
| | Mount Abu | 38.3 | —20.3 | 38.3 | 61 |
| | Pachmarhi | 79.7 | — 7.1 | 82.1 | 77 |
| | Mahableshwar | 288.5 | +28.4 | 301.9 | 266 |
| | Mercara | 124.8 | +12.5 | 135.3 | 123 |
| | Kodaikanal | 31.0 | — 2.0 | 54.1 | 62 |
| | Ootacamund | 26.9 | — 8.4 | .. | 66 |
| Ceylon | Colombo | 21.4 | —14.0 | 64.5 | 84 |

## *STATEMENT showing the Total Measurement of Bales and Miscellaneous Packages with Receipts, Expenditure, etc.*

| Year ending | No. of Bales and Packages measured. | Receipts. | Expenditure. | Surplus Receipts. | Excess of Expenditure. |
|---|---|---|---|---|---|
| From 18th May 1870 to 30th November 1872 .. .. .. .. .. | Not recorded. | Rs. 52,215 | Rs. 36,315 | Rs. 15,900 | Rs. .. |
| From 1st Dec., 1872 to 30th November 1873 .. .. .. .. .. | 1,086,577 | 16,995 | 15,291 | 1,704 | .. |
| Year ending 30th November 1874 .. | 1,402,379 | 21,707 | 18,986 | 2,721 | .. |
| Do. 30th November 1875 .. | 1,474,470 | 23,039 | 22,009 | 1,030 | .. |
| Do. 30th November 1876 .. | 1,240,034 | 19,375 | 22,355 | .. | 2,980 |
| Do. 30th November 1877 .. | 1,101,318 | 18,324 | 21,561 | .. | 3,237 |
| Do. 30th November 1878 .. | 1,040,961 | 20,837 | 23,287 | .. | 2,450 |
| Do. 30th November 1879 .. | 887,100 | 28,808 | 20,140 | 8,668 | .. |
| Do. 30th November 1880 .. | *1,163,545 | 33,219 | 20,084 | 13,135 | .. |
| Do. 30th November 1881 .. | 1,313,592 | 25,177 | 24,029 | 1,147 | .. |
| Do. 30th November 1882 .. | 1,892,796 | 33,225 | 24,757 | 8,468 | .. |
| Do. 30th November 1883 .. | 1,852,047 | 33,792 | 25,605 | 8,187 | .. |
| Do. 30th November 1884 .. | 1,814,986 | 33,404 | 22,604 | 10,800 | .. |
| Do. 31st December 1885 .. | 1,402,845 | 29,482 | 24,385 | 5,097 | .. |
| Do. 31st December 1886 .. | 1,748,856 | 32,893 | 21,582 | 11,311 | .. |
| Do. 31st December 1887 .. | 1,845,446 | 35,933 | 20,017 | 15,916 | .. |
| Do. 31st December 1888 .. | 1,659,273 | 36,371 | 21,057 | 15,314 | .. |
| Do. 31st December 1889 .. | 2,156,604 | 43,042 | 21,648 | 21,394 | .. |
| Do. 31st December 1890 .. | 2,330,935 | 45,872 | 23,171 | 22,701 | .. |
| Do. 31st December 1891 .. | 2,012,900 | 39,533 | 23,402 | 16,131 | .. |
| Do. 31st December 1892 .. | 1,946,389 | 38,017 | 24,495 | 13,522 | .. |
| Do. 31st December 1893 .. | 1,691,755 | 32,517 | 24,273 | 8,244 | .. |
| Do. 31st December 1894 .. | 1,708,723 | 33,665 | 25,156 | 8,509 | .. |
| Do. 31st December 1895 .. | 1,679,325 | 34,921 | 21,546 | 13,375 | .. |
| Do. 31st December 1896 .. | 2,049,862 | 40,061 | 22,240 | 17,821 | .. |
| Do. 31st December 1897 .. | 1,746,610 | 33,956 | 22,484 | 11,472 | .. |
| Do. 31st December 1898 .. | 1,910,140 | 36,174 | 21,100 | 15,074 | .. |
| Do. 31st December 1899 .. | 2,132,663 | 41,684 | 21,041 | 20,643 | .. |
| Do. 31st December 1900 .. | 1,147,591 | 28,302 | 20,844 | 7,458 | .. |
| Do. 31st December 1901 .. | 2,947,198 | 45,497 | 21,918 | 23,579 | .. |
| Do. 31st December 1902 .. | 2,159,823 | 43,709 | 26,865 | 16,844 | .. |
| Do. 31st December 1903 .. | 2,664,171 | 53,654 | 31,522 | 22,132 | .. |
| Do. 31st December 1904 .. | 2,292,791 | 48,673 | 19,666 | 29,007 | .. |
| Do. 31st December 1905 .. | 2,534,599 | 53,255 | 21,427 | 31,828 | .. |
| Do. 31st December 1906 .. | 2,685,432 | 54,215 | 23,516 | 30,699 | .. |
| Do. 31st December 1907 .. | 2,976,312 | 60,171 | 27,054 | 33,117 | .. |
| Do. 31st December 1908 .. | 2,302,349 | 48,844 | 29,706 | 19,138 | .. |
| Do. 31st December 1909 .. | 2,736,023 | 57,502 | 28,310 | 29,192 | .. |
| Do. 31st December 1910 .. | 3,163,919 | 65,853 | 30,617 | 35,236 | .. |
| Do. 31st December 1911 .. | 2,390,016 | 54,123 | 34,028 | 20,095 | .. |
| Do. 31st December 1912 .. | 2,528,825 | 55,571 | 31,953 | 23,618 | .. |
| Do. 31st December 1913 .. | 3,127,997 | 64,049 | 32,441 | 31,608 | .. |
| Do. 31st December 1914 .. | 3,336,685 | 65,197 | 36,014 | 29,183 | .. |
| Do. 31st December 1915 .. | 3,361,744 | 73,410 | 35,002 | 38,408 | .. |
| Do. 31st December 1916 .. | 3,409,241 | 85,407 | 37,571 | 47,836 | .. |
| Do. 31st December 1917 .. | 2,944,353 | 67,356 | 41,360 | 25,996 | .. |
| Do. 31st December 1918 .. | 1,933,943 | 73,386 | 41,640 | 31,746 | .. |
| Do. 31st December 1919 .. | 2,910,991 | 86,189 | 46,154 | 40,035 | .. |
| Do. 31st December 1920 .. | 3,027,873 | 1,06,901 | 70,146 | 36,755 | .. |
| Do. 31st December 1921 .. | 3,407,858 | 1,54,071 | 70,208 | 83,863 | .. |
| Do. 31st December 1922 .. | 3,517,691 | 1,60,333 | 76,399 | 83,934 | .. |
| Do. 31st December 1923 .. | 2,692,835 | 1,24,179 | 76,939 | 47,240 | .. |
| Do. 31st December 1924 .. | 2,365,531 | 1,16,002 | 72,034 | 43,968 | .. |
| Do. 31st December 1925 .. | 2,111,055 | 1,09,375 | 69,703 | 39,672 | .. |
| Do. 31st December 1926 .. | 1,785,602 | 1,08,621 | 68,203 | 40,418 | .. |
| Do. 31st December 1927 .. | 1,573,756 | 1,33,382 | 74,839 | 58,543 | .. |
| Do. 31st December 1928 .. | 1,991,021 | 1,13,092 | 71,963 | 41,129 | .. |
| Do. 31st December 1929 .. | 1,825,481 | 1,02,578 | 69,338 | 33,240 | .. |
| Do. 31st December 1930 .. | 1,812,795 | 1,00,015 | 69,192 | 30,823 | .. |
| Do. 31st December 1931 .. | 1,288,522 | 82,470 | 62,917 | 19,553 | .. |
| Do. 31st December 1932 .. | 985,491 | 79,726 | 60,855 | 18,871 | .. |
| Do. 31st December 1933 .. | 1,255,823 | 77,857 | 57,161 | 20,696 | .. |
| Do. 31st December 1934 .. | 1,185,092 | 76,414 | 55,958 | 20,456 | .. |
| Do. 31st December 1935 .. | 1,312,477 | 80,997 | 60,126 | 20,871 | .. |
| Do. 31st December 1936 .. | 1,480,674 | 87,086 | 60,676 | 26,410 | .. |
| Do. 31st December 1937 .. | *1,592,567 | 1,03,975 | 67,914 | 35,358 | .. |
| Do. 31st December 1938 .. | †1,645,592 | 105,445 | 79,615 | 25,830 | .. |

*Includes 112,659 paekages weighed.
† Do 371,120 Do Do

*Statement showing the Total Measurement and weighment of Bales and Miscellaneous Packages, with Receipts for the years* 1923 *to* 1938.

| Years. | Nett Bales certified. Measurement | | | | Nett Miscellaneous Articles. | | | | Nett Weighment Packages. | | | Nett Round Logs. | | | | Extra Fees. | | | Nett Totals. | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Number of Bales. | Nett Fees. | | | Number of Packages. | Nett Fees. | | | Number of Packages. | Nett Fees. | | Number of Lags. | Nett Fees. | | | Amount. | | | Packages. | Nett Fees. | | |
| | | Rs. | a. | p. | | Rs. | a. | p. | | | | | | | | Rs. | a. | p. | | Rs. | a. | p. |
| 1923.. | 2,024,508 | 63,265 | 14 | 0 | 668,323 | 57,951 | 2 | 3 | .. | .. | | 4 | 2 | 0 | 0 | 2,960 | 7 | 6 | 2,692,835 | 1,24,179 | 7 | 9 |
| 1924.. | 1,723,813 | 53,869 | 2 | 6 | 641,718 | 58,174 | 5 | 9 | .. | .. | | | | | | 3,958 | 14 | 0 | 2,365,531 | 1,16,002 | 6 | 3 |
| 1925.. | 1,579,403 | 49,356 | 5 | 6 | 531,652 | 55,700 | 2 | 6 | .. | .. | | | | | | 4,318 | 7 | 6 | 2,111,055 | 1,09,374 | 15 | 6 |
| 1926.. | 1,254,587 | 39,205 | 13 | 6 | 531,015 | 63,323 | 9 | 0 | .. | .. | | | | | | 6,091 | 7 | 6 | 1,785,602 | 1,08,620 | 14 | 0 |
| 1927.. | 995,512 | 31,141 | 0 | 0 | 577,244 | 68,542 | 0 | 0 | .. | .. | | | | | | 33,699 | 10 | 0 | 1,573,756 | 1,33,382 | 10 | 0 |
| 1928.. | 1,480,555 | 46,267 | 5 | 6 | 510,388 | 60,803 | 15 | 0 | .. | .. | | 78 | 39 | 0 | 0 | 5,981 | 6 | 0 | 1,991,021 | 1,13,091 | 10 | 6 |
| | | | | | | | | | | | | 59 | 29 | 8 | 0 | | | | | | | |
| 1929.. | 1,328,917 | 41,528 | 10 | 6 | 496,505 | 58,565 | 3 | 0 | .. | .. | | | | | | 2,455 | 0 | 6 | 1,825,481 | 1,02,578 | 6 | 0 |
| 1930.. | 1,365,626 | 42,675 | 13 | 0 | 447,169 | 51,784 | 15 | 0 | .. | .. | | | | | | 5,554 | 7 | 6 | 1,812,795 | 1,00,015 | 3 | 6 |
| 1931.. | 882,510 | 27,578 | 7 | 0 | 406,012 | 47,149 | 1 | 0 | .. | .. | | | | | | 7,743 | 1 | 0 | 1,288,522 | 82,470 | 9 | 0 |
| 1932.. | 487,331 | 15,229 | 1 | 6 | 498,160 | 56,297 | 1 | 0 | .. | .. | | | | | | 8,199 | 15 | 0 | 985,491 | 79,726 | 1 | 6 |
| 1933.. | 834,305 | 26,072 | 0 | 6 | 421,518 | 46,986 | 4 | 0 | | | | | | | | 4,799 | 2 | 6 | 1,255,823 | 77,857 | 7 | 0 |
| 1934.. | 738,590 | 23,080 | 15 | 0 | 446,502 | 51,297 | 12 | 0 | .. | .. | | | | | | 2,035 | 4 | 0 | 1,185,092 | 76,413 | 15 | 0 |
| 1935.. | 861,868 | 26,933 | 6 | 0 | 450,609 | 51,453 | 10 | 0 | | | | | | | | 2,610 | 6 | 6 | 1,312,477 | 80,997 | 6 | 6 |
| 1936.. | 1,003,105 | 31,347 | 0 | 6 | 477,562 | 54,601 | 2 | 0 | | | | 7 | 3 | 8 | 0 | 1,134 | 8 | 6 | 1,480,674 | 87,086 | 3 | 0 |
| 1937.. | 890,184 | 27,818 | 4 | 0 | 589,709 | 66,567 | 4 | 0 | 112,659 | 6,953 | 11 0 | 15 | 7 | 8 | 0 | 2,628 | 3 | 0 | 1,592,567 | 1,03,974 | 14 | 0 |
| 1938.. | 771,860 | 24,120 | 10 | 0 | 502,612 | 57,301 | 3 | 0 | 371,120 | 22,882 | 8 0 | .. | .. | | | 1,141 | 4 | 6 | 1,645,592 | 1,05,445 | 9 | 6 |

# FINANCIAL STATISTICS.

## RESERVE BANK OF INDIA

*Balance Sheet as at 31st December 1938.*

| LIABILITIES. | Rs. | ASSETS. | Rs. |
|---|---|---|---|
| NOTES HELD IN THE BANKING DEPARTMENT :— | | Gold Coin and Bullion— | |
| (*a*) Legal Tender in India .. .. | 18,43,49,210 | (*a*) Held in India .. .. .. | 41,54,53,252 |
| (*b*) Legal Tender in Burma only .. | 20,215 | (*b*) Held outside India .. .. | 2,86,97,782 |
| NOTES IN CIRCULATION :— | | Sterling Securities .. .. .. | 59,50,02,401 |
| (*a*) Legal Tender in India .. .. | 1,80,25,68,318 | Rupee Coin .. .. .. .. | 70,19,36,609 |
| (*b*) Legal Tender in Burma only .. | 7,73,91,350 | Government of India Rupee Securities .. .. .. .. .. | 32,32,39,049 |
| | | Internal Bills of Exchange and other Commercial Paper .. .. | Nil. |
| Total Rs. .. | 2,06,43,29,093 | Total Rs. .. | 2,06,43,29,093 |

| | | Rs. |
|---|---|---|
| BALANCE at the credit of Government of India in the Reserve Bank of India on 31st December | 1935 .. | 8,84,82,000 |
| " " " " " " " " " " " " | 1936 .. | 9,83,12,000 |
| " " " " " " " " " " " " | 1937 .. | 9,76,31,226 |
| " " " " " " " " " " " " | 1938 .. | 11,18,53,088 |

| | Official year 1937-38. Rs. | Official year 1936-37. Rs. | Official year 1935-36. Rs. |
|---|---|---|---|
| COINAGE OF SILVER IN INDIA—(Bombay and Calcutta Mints)— | | | |
| Whole Rupees .. .. .. .. .. .. .. .. | *Nil.* | *Nil.* | *Nil.* |

| | Rs. |
|---|---|
| NET PROFIT ON COINAGE for the year 1937-38. .. .. .. .. .. .. .. .. .. | 43,29,900 |

| | | Rs. |
|---|---|---|
| AMOUNT OF GOVERNMENT PROMISSORY NOTES standing on the London Registers at the end of March | 1934 .. | 8,16,29,300 |
| " " " " " " " " " " " " " | 1935 .. | 8,48,36,000 |
| " " " " " " " " " " " " " | 1936 .. | 7,91,99,000 |
| " " " " " " " " " " " " " | 1937 .. | 7,74,08,000 |
| " " " " " " " " " " " " " | 1938 .. | 7,63,18,000 |
| " " " " " " " " " " " " " | 1939 .. | 7,55,28,150 |

# IMPORT AND EXPORT TRADE OF BRITISH INDIA.

*STATEMENT showing the Annual Value of the Import and Export Trade of British India and the Total Miles of Railway opened.*

| Calendar Year. | Total Miles of Railway opened. | Year ending 31st March. | Imports. | | | Exports. | | |
|---|---|---|---|---|---|---|---|---|
| | | | Merchandise. | Treasure. | Total Merchandise and Treasure. | Merchandise. | Treasure. | Total Merchandise and Treasure. |
| | | | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| 1878 .. | 8,217 | 1878 | 41,46,41,851 | 17,35,54,596 | 58,81,96,447 | 65,22,23,282 | 2,21,09,956 | 67,43,33,238 |
| 1879 .. | 8,494 | 1879 | 37,80,09,835 | 7,05,67,486 | 44,85,77,321 | 60,93,68,769 | 3,98,22,283 | 64,91,91,052 |
| 1880 .. | 9,162 | 1880 | 41,17,25,671 | 11,65,48,948 | 52,82,74,619 | 67,21,07,406 | 2,03,51,479 | 69,24,58,885 |
| 1881 .. | 9,890 | 1881 | 53,08,68,074 | 8,99,72,139 | 62,08,40,213 | 74,54,09,072 | 1,44,04,408 | 75,98,13,480 |
| 1882 .. | 10,149 | 1882 | 49,11,28,724 | 11,32,27,804 | 60,43,56,528 | 81,96,64,102 | 1,09,97,468 | 83,06,61,576 |
| 1883 .. | 10,458 | 1883 | 52,09,86,720 | 13,45,33,642 | 65,55,20,362 | 83,48,49,372 | 1,04,18,488 | 84,52,67,860 |
| 1884 .. | 11,631 | 1884 | 55,29,89,907 | 12,87,79,633 | 68,17,69,540 | 88,07,64,315 | 1,00,84,937 | 89,08,49,252 |
| 1885 .. | 12,283 | 1885 | 55,70,16,804 | 13,88,81,918 | 69,58,98,722 | 83,17,01,507 | 1,96,89,796 | 85,13,91,302 |
| 1886 .. | 12,892 | 1886 | 55,65,19,552 | 15,46,70,808 | 71,11,90,360 | 83,86,11,693 | 1,10,82,310 | 84,96,94,603 |
| 1887 .. | 14,103 | 1887 | 61,81,19,608 | 11,04,83,224 | 72,86,02,832 | 88,48,10,354 | 1,72,04,261 | 90,20,14,615 |
| 1888 .. | 14,576 | 1888 | 65,00,45,881 | 13,81,25,456 | 78,81,71,337 | 90,54,36,458 | 1,60,46,242 | 92,14,82,700 |
| 1889 .. | 15,887 | 1889 | 69,43,77,531 | 13,84,49,249 | 83,28,26,780 | 97,06,02,386 | 1,78,43,819 | 98,84,46,205 |
| 1890 .. | 16,401 | 1890 | 69,19,93,762 | 17,45,45,037 | 86,65,38,799 | 1,03,44,87,052 | 1,90,63,218 | 1,05,35,50,270 |
| 1891 .. | 17,308 | 1891 | 71,97,57,754 | 21,93,44,876 | 93,91,02,630 | 1,00,21,50,575 | 2,12,31,785 | 1,02,33,82,360 |
| 1892 .. | 17,815 | 1892 | 69,42,75,659 | 14,72,26,621 | 84,15,02,280 | 1,08,17,79,873 | 3,28,66,858 | 1,11,46,46,731 |
| 1893 .. | 18,504 | 1893 | 66,27,86,222 | 17,00,98,101 | 83,28,84,323 | 1,06,57,46,715 | 6,95,89,237 | 1,13,53,35,952 |
| 1894 .. | 18,900 | 1894 | 77,02,60,944 | 18,46,12,564 | 95,48,73,508 | 1,06,51,48,540 | 4,10,01,921 | 1,10,61,50,461 |
| 1895 .. | 19,547 | 1895 | 73,51,65,042 | 9,58,12,084 | 83,09,77,126 | 1,08,92,91,101 | 8,22,60,717 | 1,17,15,51,818 |
| 1896 .. | 20,254 | 1896 | 72,93,61,344 | 13,36,79,854 | 86,30,41,198 | 1,14,34,59,341 | 4,25,98,105 | 1,18,60,57,446 |
| 1897 .. | 21,115 | 1897 | 76,21,58,352 | 13,08,45,635 | 89,30,03,987 | 1,03,98,36,184 | 4,93,74,955 | 1,08,92,11,139 |
| 1898 .. | 22,040 | 1898 | 73,63,43,159 | 20,53,06,170 | 94,16,49,329 | 97,63,51,802 | 7,14,86,470 | 1,04,78,38,272 |
| 1899 .. | 23,523 | 1899 | 72,11,07,161 | 17,89,56,127 | 90,00,63,238 | 1,12,80,11,811 | 7,41,14,207 | 1,20,21,26,018 |
| 1900 .. | 24,752 | 1900 | 75,30,44,785 | 20,97,36,851 | 96,27,81,636 | 1,09,11,36,448 | 7,95,63,876 | 1,17,07,00,324 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 1901 .. | 25,363 | 1901 | 80,89,40,873 | 24,57,61,818 | 1,05,47,02,691 | 1,07,76,44,143 | 14,22,73,646 | 1,21,99,17,789 |
| 1902 .. | 25,931 | 1902 | 88,74,24,199 | 20,87,13,352 | 1,09,61,37,551 | 1,24,52,48,571 | 11,47,08,603 | 1,35,99,57,174 |
| 1903 .. | 26,956 | 1903 | 85,86,60,829 | 25,31,83,178 | 1,11,18,44,007 | 1,29,40,79,337 | 9,65,76,370 | 1,39,06,55,707 |
| 1904 .. | 27,565 | 1904 | 92,59,22,723 | 38,52,61,072 | 1,31,11,83,795 | 1,53,51,71,599 | 15,04,38,811 | 1,68,56,10,410 |
| 1905 .. | 28,295 | 1905 | 1,04,41,27,454 | 39,50,81,750 | 1,43,92,09,204 | 1,57,70,83,029 | 16,42,88,167 | 1,74,13,71,196 |
| 1906 .. | 29,097 | 1906 | 1,12,07,09,822 | 31,65,14,438 | 1,43,72,24,260 | 1,61,85,53,960 | 15,47,00,054 | 1,77,32,54,014 |
| 1907 .. | 30,010 | 1907 | 1,17,24,15,294 | 44,57,98,114 | 1,61,82,13,408 | 1,76,66,94,270 | 5,71,82,526 | 1,82,38,76,796 |
| 1908 .. | 30,576 | 1908 | 1,36,53,80,464 | 42,28,44,977 | 1,78,82,25,441 | 1,77,37,29,392 | 5,44,85,001 | 1,82,82,14,393 |
| 1909 .. | 31,490 | 1909 | 1,28,77,81,788 | 22,74,41,677 | 1,51,52,23,465 | 1,53,14,31,953 | 6,32,02,465 | 1,59,46,34,418 |
| 1910 .. | 32,099 | 1910 | 1,22,64,97,224 | 37,52,34,734 | 1,60,17,31,958 | 1,87,83,04,410 | 6,39,90,403 | 1,94,22,94,813 |
| 1911 .. | 32,839 | 1911 | 1,33,70,57,458 | 39,77,35,730 | 1,73,47,93,188 | 2,10,15,16,030 | 7,12,69,254 | 2,17,27,85,284 |
| 1912 .. | 33,484 | 1912 | 1,44,05,54,383 | 53,47,08,480 | 1,97,52,62,863 | 2,27,98,82,325 | 10,37,39,063 | 2,38,36,21,388 |
| 1913 .. | 34,656 | 1913 | 1,66,62,96,807 | 61,83,17,536 | 2,28,46,14,343 | 2,46,21,83,342 | 10,63,17,656 | 2,56,85,00,998 |
| *1913-14.. | 34,656 | 1914 | 1,91,30,79,586 | 43,43,96,503 | 2,34,74,76,089 | 2,49,00,74,896 | 7,08,28,850 | 2,56,09,03,746 |
| *1914-15.. | 35,285 | 1915 | 1,44,93,07,207 | 21,80,83,236 | 1,66,73,90,443 | 1,82,17,60,256 | 5,28,94,870 | 1,87,46,54,626 |
| *1915-16.. | 35,833 | 1916 | 1,38,16,93,032 | 11,94,62,390 | 1,50,11,55,422 | 1,99,48,03,975 | 8,22,57,819 | 2,07,70,61,794 |
| *1916-17.. | 36,286 | 1917 | 1,60,24,89,599 | 38,45,26,695 | 1,98,70,16,294 | 2,47,37,74,815 | 6,41,72,070 | 2,53,79,46,885 |
| *1917-18.. | 36,333 | 1918 | 1,64,35,48,949 | 51,76,43,160 | 2,16,11,92,109 | 2,44,90,40,505 | 7,34,39,185 | 2,52,44,79,690 |
| *1918-19.. | 36,616 | 1919 | 1,88,56,24,317 | 71,36,55,075 | 2,59,92,79,392 | 2,55,32,02,610 | 9,01,03,571 | 2,64,33,06,181 |
| *1919-20.. | 36,735 | 1920 | 2,21,70,24,425 | 78,23,88,554 | 2,99,94,12,979 | 3,32,75,78,755 | 13,67,97,719 | 3,46,43,76,474 |
| *1920-21.. | 37,029 | 1921 | 3,47,13,52,122 | 34,76,34,962 | 3,81,89,87,084 | 2,67,64,36,175 | 26,17,12,640 | 2,93,81,48,815 |
| *1921-22.. | 37,266 | 1922 | 2,82,59,75,453 | 31,29,90,526 | 3,13,89,65,979 | 2,48,65,76,106 | 19,06,73,144 | 2,67,72,49,250 |
| *1922-23.. | 37,618 | 1923 | 2,46,19,24,109 | 63,57,96,096 | 3,09,77,20,205 | 3,16,07,16,915 | 3,01,71,845 | 3,19,08,88,760 |
| *1923-24.. | 38,039 | 1924 | 2,37,18,32,279 | 53,20,40,566 | 2,90,38,72,845 | 3,63,37,63,664 | 3,67,32,510 | 3,67,04,96,174 |
| *1924-25.. | 38,270 | 1925 | 2,53,36,36,608 | 99,19,84,987 | 3,52,56,21,595 | 4,00,24,27,531 | 5,16,81,392 | 4,05,41,08,923 |
| *1925-26.. | 38,610 | 1926 | 2,36,00,12,595 | 55,48,77,580 | 2,91,48,90,175 | 3,86,81,21,842 | 3,83,91,668 | 3,90,65,13,510 |
| *1926-27.. | 39,048 | 1927 | 2,40,81,84,303 | 41,53,20,573 | 2,82,35,04,876 | 3,11,05,04,300 | 2,21,13,404 | 3,13,26,17,704 |
| *1927-28.. | 39,048 | 1928 | 2,61,53,40,569 | 34,89,52,529 | 2,96,42,94,098 | 3,30,26,37,283 | 3,13,60,896 | 3,33,39,98,179 |
| *1928-29.. | 40,330 | 1929 | 2,63,39,79,360 | 37,29,42,646 | 3,00,69,22,006 | 3,39,15,06,656 | 6,35,31,454 | 3,45,50,38,110 |
| *1929-30.. | 41,723 | 1930 | 2,49,70,74,490 | 27,83,19,584 | 2,77,53,94,074 | 3,18,98,97,089 | 5,14,33,004 | 3,24,13,30,093 |
| *1930-31.. | 42,281 | 1931 | 1,73,06,25,932 | 26,86,34,373 | 1,99,92,60,305 | 2,26,50,21,864 | 4,00,08,598 | 2,30,50,30,462 |
| *1931-32.. | 42,813 | 1932 | 1,30,64,28,506 | 7,26,80,825 | 1,37,91,09,331 | 1,61,20,22,325 | 65,92,85,265 | 2,27,13,07,590 |
| *1932-33.. | 42,973 | 1933 | 1,35,01,76,054 | 2,99,13,188 | 1,38,00,89,242 | 1,35,93,34,109 | 70,66,15,528 | 2,06,59,49,637 |
| *1933-34.. | 42,973 | 1934 | 1,17,30,45,422 | 1,96,15,215 | 1,19,26,60,637 | 1,51,17,15,209 | 65,56,63,908 | 2,16,73,79,117 |
| *1934-35.. | 43,021 | 1935 | 1,34,58,25,058 | 5,19,17,165 | 1,39,77,42,223 | 1,55,49,71,644 | 63,50,46,139 | 2,19,00,17,783 |
| *1935-36.. | 43,118 | 1936 | 1,36,76,36,945 | 7,44,88,569 | 1,44,21,25,514 | 1,64,59,67,984 | 45,66,88,147 | 2,10,26,56,131 |
| *1936-37.. | 43,128 | 1937 | 1,27,72,13,251 | 15,50,89,994 | 1,43,23,03,245 | 2,02,48,94,884 | 30,20,40,314 | 2,32,69,35,198 |
| *1937-38.. | 41,076 | 1938 | 1,77,21,77,766 | 4,71,24 768 | 1,81,93,02.534 | 1,89,76,39,162 | 19,76,70,257 | 2,09,53,09,419 |

* Official year ending 31st March.

† Exclusive of Burma Railways due to separation.

# FOREIGN TRADE OF BRITISH INDIA.

*Summary of Imports and Exports for the Official Years* 1932-33 *to* 1937-38.

| —— | 1932-33. | 1933-34. | 1934-35. | 1935-36. | 1936-37. | 1937-38. |
|---|---|---|---|---|---|---|
| IMPORTS— | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Merchandise, Private— | | | | | | |
| Bengal .. .. | 35,43,50,471 | 32,82,95,421 | 36,15,44,994 | 38,69,34,037 | 35,76,03,742 | 51,60,04,909 |
| Orissa .. .. | .. | .. | .. | .. | 64,612 | 92,221 |
| Bombay .. .. | 54,31,54,339 | 46,18,75,025 | 53,69,54,890 | 54,52,53,450 | 49,32,91,658 | 73,73,89,666 |
| Sind .. .. | 16,26,36,975 | 12,96,47,462 | 15,24,73,187 | 14,62,25,407 | 14,03,04,510 | 19,58,20,748 |
| Madras .. .. | 15,86,69,604 | 14,81,00,305 | 17,35,12, 513 | 15,71,10,641 | 15,26,58,114 | 28,85,09,322 |
| Burma .. .. | 10,70,31,786 | 8,56,51,931 | 9,83,79,069 | 10,87,08,850 | 10,84,82,789 | .. 2 |
| Total .. | 1,32,58,43,175 | 1,15,35,70,144 | 1,32,28,64,653 | 1,34,42,32,385 | 1,25,24,05,425 | 1,73,78,25,866 |
| Do. Government Stores. | 2,43,32,879 | 1,94,75,278 | 2,29,60,405 | 2,34,04,560 | 2,48,07,826 | 3,43,51,900 |
| Total Merchandise .. | 1,35,01,76,054 | 1,17,30,45,422 | 1,34,58,25,058 | 1,36,76,36,945 | 1,27,72,13,251 | 1,77,21,77,766 |
| Treasure, Private— | | | | | | |
| Bengal .. .. | 26,61,723 | 9,45,237 | 13,07,497 | 20,39,571 | 1,41,07,402 | 1,71,43,380 |
| Bombay .. .. | 1,91,04,670 | 1,01,30,351 | 4,48,77,330 | 4,79,61,620 | 12,98,30,600 | 2,58,03,643 |
| Sind .. .. | 24,82,172 | 34,45,895 | 17,68,825 | 7,85,859 | 73,23,742 | 10,54,568 |
| Madras .. .. | 53,11,351 | 50,00,987 | 39,55,880 | 37,45,414 | 37,71,606 | 18,79,612 |
| Burma .. .. | 3,45,430 | 35,309 | 6,216 | 3,626 | 33,621 | .. |
| Total .. | 2,99,05,346 | 1,95,57,779 | 5,19,15,748 | 5,45,36,090 | 15,50,66,971 | 458,81,203 |
| Do. Government .. | 7,842 | 57,436 | 1,417 | 1,99,52,479 | 23,023 | 12,43,565 |
| Total Treasure .. | 2,99,13,188 | 1,96,15,215 | 5,19,17,165 | 7,44,88,569 | 15,50,89,994 | 4,71,24,768 |
| Grand Total of Imports. | 1,38,00,89,242 | 1,19,26,60,637 | 1,39,77,42,223 | 1,44,21,25,514 | 1,43,23,03,245 | 1,81,93,02,534 |

| | | | | | | |
|---|---|---|---|---|---|---|
| EXPORTS— | | | | | | |
| Merchandise, Private. | | | | | | |
| Foreign Goods. | | | | | | |
| Bengal .. .. | 32,35,587 | 35,17,540 | 34,13,645 | 35,21,162 | 47,30,966 | 91,93,631 |
| Bombay .. .. | 197,33,172 | 2,15,58,254 | 2,38,04,885 | 2,66,94,310 | 4,85,56,608 | 6,58,06,152 |
| Sind .. .. | 60,69,776 | 64,92,807 | 57,12,182 | 53,84,438 | 72,33,541 | 59,20,671 |
| Madras .. .. | 22,60,283 | 17,12,558 | 16,57,077 | 11,02,206 | 10,59,815 | 18,92,487 |
| Burma .. .. | 8,94,628 | 8,92,410 | 8,68,927 | 9,52,646 | 8,26,406 | .... |
| Total .. | 3,21,93,446 | 3,41,73,569 | 3,54,56,716 | 3,76,54,762 | 6,24,07,336 | 8,28,12,941 |
| Indian Produce and Manufactures— | | | | | | |
| Bengal .. .. | 55,73,11,844 | 63,34,08,102 | 62,38,14,283 | 66,04,45,054 | 74,90,28,078 | 86,16,63,937 |
| Bihar and Orissa.. | .... | .... | .... | .... | 17,742 | 29,782 |
| Bombay .. .. | 23,16,87,185 | 28,34,58,065 | 31,02,08,498 | 30,44,82,183 | 39,54,56,673 | 33,31,76,224 |
| Sind .. .. | 10,69,30,508 | 13,57,66,955 | 15,84,76,647 | 17,26,88,134 | 24,43,66,326 | 23,30,54,800 |
| Madras .. .. | 23,55,04,692 | 24,64,20,592 | 25,09,04,809 | 26,80,25,171 | 36,13,75,647 | 38,13,17,388 |
| Burma .. .. | 19,12,86,735 | 17,34,53,106 | 17,32,93,260 | 19,95,96,452 | 21,10,01,820 | .... |
| Total .. | 1,32,27,20,964 | 1,47,25,06,820 | 1,51,66,97,497 | 1,60,52,36,994 | 1,96,12,46 286 | 1,80,92,42,221 |

## FOREIGN TRADE OF BRITISH INDIA.

*Summary of Imports and Exports in the Official Years* 1932-33 *to* 1937-38—(continued).

| —— | 1932-33. | 1933-34. | 1934-35. | 1935-36. | 1936-37. | 1937-38. |
|---|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Total Foreign and Indian Merchandise Exported, Private.— | | | | | | |
| Bengal .. .. .. | 56,05,47,431 | 63,69,25,642 | 62,72,27,928 | 66,39,66,216 | 75,37,59,044 | 87,08,57,568 |
| Bihar and Orissa .. .. | .... | .... | .... | .... | 17,742 | 29,782 |
| Bombay .. .. .. | 25,14,20,357 | 30,50,16,319 | 33,40,13,383 | 33,11,76,493 | 44,40,13,281 | 39,89,82,376 |
| Sind .. .. .. | 11,30,00,284 | 14,22,59,762 | 16,41,88,829 | 17,80,72,572 | 25,15,99,867 | 23,89,75,561 |
| Madras .. .. .. | 23,77,64,975 | 24,81,33,150 | 25,25,61,886 | 26,91,27,377 | 36,24,35,462 | 38,32,09,875 |
| Burma .. .. .. | 19,21,81,363 | 17,43,45,516 | 17,41,62,187 | 20,05,49,098 | 21,18,28,226 | .... |
| Total .. | 1,35,49,14,410 | 1,50,66,80,389 | 1,55,21,54,213 | 1,64,28,91,756 | 2,02,36,53,622 | 1,89,20,55,162 |
| Do. Government Stores .. | 44,19,699 | 50,34,820 | 28,17,431 | 30,76,228 | 12,41,262 | 55,84,000 |
| Total Merchandise .. | 1,35,93,34,109 | 1,51,17,15,209 | 1,55,49,71,644 | 1,64,59,67,984 | 2,02,48,94,884 | 1,89,76,39,162 |
| Treasure, Private— | | | | | | |
| Bengal .. .. .. | 1,39,18,885 | 83,61,638 | 1,85,50,737 | 5,77,109 | 19,37,699 | 3,57,134 |
| Bombay .. .. .. | 60,68,16,363 | 53,72,81,386 | 53,52,48,774 | 40,56,43,942 | 29,27,16,728 | 18,41,76,888 |
| Sind .. .. .. | 69,04,770 | 12,83,600 | 10,14,982 | 3,02,965 | 3,88,675 | 18,83,384 |
| Madras .. .. .. | 4,37,41,748 | 3,82,40,286 | 1,45,91,852 | 37,52,996 | 26,49,946 | 30,72,989 |
| Burma .. .. .. | 78,10,367 | 67,31,543 | 78,55,855 | 79,86,197 | 23,47,266 | .... |
| Total .. | 67,91,92,133 | 59,18,98,453 | 57,72,62,200 | 41,82,63,209 | 30,00,40,314 | 18,94,90,395 |
| Do. Government .. .. | 2,74,23,395 | 6,37,65,455 | 5,77,83,939 | 3,84,24,938 | 20,00,000 | 81,79,862 |
| Total Treasure .. | 70,66,15,528 | 65,56,63,908 | 63,50,46,139 | 45,66,88,147 | 30,20,40,314 | 19,76,70,257 |
| Grand Total of Exports .. | 2,06,59,49,637 | 2,16,73,79,117 | 2,19,00,17,783 | 2,10,26,56,131 | 2,32,69,35,198 | 2,09,53,09,419 |

*Value of the Imports of Gold and Silver Coin and Bullion into British India by Sea during the year ending 31st December 1938.*

| Countries. | Gold. | | | Silver. | | |
|---|---|---|---|---|---|---|
| | Private. | Government. | Total. | Private. | Government. | Total. |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| United Kingdom .. .. .. | 8,42,912 | .... | 8,42,912 | 81,00,315 | .... | 81,00,315 |
| Belgium .. .. .. .. .. | .... | .... | .... | .... | .... | .... |
| France .. .. .. .. .. | .... | .... | .... | .... | .... | .... |
| Italy .. .. .. .. .. | .... | .... | .... | .... | .... | .... |
| Iraq .. .. .. .. .. | 54,033 | .... | 54,033 | 43,596 | .... | 43,596 |
| Arabia .. .. .. .. .. | 11,25,177 | .... | 11,25,177 | 11,39,129 | .... | 11,39,129 |
| Aden and Dependencies .. .. | 18,08,771 | .... | 18,08,771 | 2,00,000 | 831 | 2,00,831 |
| Iran .. .. .. .. .. | .... | .... | .... | 21,872 | .... | 21,872 |
| Bahrein Islands .. .. .. | 13,10,575 | .... | 13,10,575 | 1,81,758 | .... | 1,81,758 |
| Africa, East .. .. .. .. | 133 | .... | 133 | .... | 1,480 | 1,480 |
| Union of South Africa .. .. | .... | .... | .... | .... | .... | .... |
| China (Hongkong) .. .. .. | .... | .... | .... | .... | .... | .... |
| Japan .. .. .. .. .. | .... | .... | .... | .... | .... | .... |
| Straits Settlements .. .. .. | 150 | .... | 150 | .... | .... | .... |
| Burma .. .. .. .. .. | 2,20,605 | .... | 2,20,605 | 51,08,782 | 43,19,547 | 94,28,329 |
| Australia and New Zealand .. .. | .... | .... | .... | 47,52,080 | .... | 47,52,080 |
| Ceylon .. .. .. .. .. | 25,96,308 | .... | 25,96,308 | 1,38,335 | .... | 1,38,335 |
| Mauritius and Dependencies (including Seychelles) .. .. .. | 17,621 | .... | 17,621 | .... | .... | .... |
| Canada .. .. .. .. .. | .... | .... | .... | .... | .... | .... |
| United States of America .. .. | .... | .... | .... | .... | .... | .... |
| Anglo-Egyptian Sudan .. .. | 12,229 | .... | 12,229 | 13,632 | .... | 13,632 |
| Total .. | 79,88,514 | .... | 79,88,514 | 1,96,99,499 | 43,21,858 | 2,40,21,357 |

*Value of the Exports of Gold and Silver Coin and Bullion from British India by Sea during the year ending 31st December 1938.*

| Countries. | Gold. | | | Silver. | | |
|---|---|---|---|---|---|---|
| | Private. | Government. | Total. | Private. | Government. | Total. |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| United Kingdom | 11,77,28,704 | .... | 11,77,28,704 | 55,71,888 | 43,25,034 | 98,96,922 |
| Netherlands | 54,46,789 | .... | 54,46,789 | .... | .... | .... |
| France | 36,47,852 | .... | 36,47,852 | .... | .... | .... |
| Italy | 7,81,347 | .... | 7,81,347 | .... | .... | .... |
| Aden and Dependencies | 24,394 | .... | 24,394 | .... | .... | .... |
| Straits Settlements | 1,85,778 | .... | 1,85,778 | .... | .... | .... |
| Arabia | .... | .... | .... | 66,400 | .... | 66,400 |
| Bahrein Islands | .... | .... | .... | 6,10,800 | .... | 6,10,800 |
| Africa, East | 5,00,032 | ... | 5,00,032 | 44,051 | .... | 44,051 |
| Hongkong | 58,19,839 | .... | 58,19,839 | .... | .... | .... |
| Java | 2,21,191 | .... | 2,21,191 | .... | .... | .... |
| Egypt | 35,000 | ... | 35,000 | .... | .... | .... |
| Union of South Africa | .... | ... | .... | 531 | .... | 531 |
| Ceylon | 5,02,110 | ... | 5,02,110 | 959 | .... | 959 |
| Burma | 12,267 | .... | 12,267 | .... | 19,30,000 | 19,30,000 |
| United States of America | 1,59,62,838 | .... | 1,59,62,838 | .... | .... | .... |
| "For orders" Cargoes— | | | | | | |
| United Kingdom | 51,20,144 | .... | 51,20,144 | .... | .... | .... |
| United States of America | .... | .... | .... | .... | .... | .... |
| Total | 15,59,88,285 | .... | 15,59,88,285 | 62,94,629 | 62,55,034 | 1,25,49,663 |

*Total Imports of Treasure on Private Account from Foreign Countries and Indian Ports into Bombay by Sea from 1st January to 31st December 1938.*

| From | Gold. | | | Silver. | | | |
|---|---|---|---|---|---|---|---|
| | Bullion. | Sovereigns and Half Sovereigns. | Other Coin. | Bullion. | Dollars. | Government of India Rupees. | Other Coin. |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| United Kingdom— | | | | | | | |
| London, Liverpool, etc. .. | 6,16,802 | 1,95,871 | .... | 65,94,421 | .... | 3,673 | .... |
| Continent of Europe .. .. | .... | .... | .... | .... | .... | .... | .... |
| America .. .. .. | .... | .... | .... | .... | .... | .... | .... |
| Australia .. .. .. | .... | .... | .... | 32,47,774 | .... | .... | .... |
| Aden .. .. .. .. | 2,02,758 | 14,87,460 | .... | .... | .... | 2,00,000 | .... |
| Egypt .. .. .. | 12,228 | .... | .... | 13,631 | .... | .... | .... |
| Irase .. .. .. .. | 5,246 | 6,746 | .... | .... | .... | .... | .... |
| Iraq .. .. .. .. | 2,931 | 31,451 | 2,049 | .... | .... | 45,487 | .. . |
| Arabian and Red Sea Ports .. | 7,13,337 | 15,86,009 | 12,472 | 63,199 | 11,860 | 6,78,181 | 1,38,236 |
| African Ports .. .. .. | .... | .... | .... | .... | .... | .... | .... |
| Colombo .. .. .. | 61,021 | .... | 71 | 1,36,459 | .... | .... | .... |
| Bangkok .. .. .. | .... | .... | .... | .... | .... | .... | .... |
| Mauritius .. .. .. | 5,534 | .... | .... | .... | .... | .... | .... |
| All Indian Ports .. .. | 11,180 | 49,548 | .... | 11,236 | 2,84,211 | 1,93,157 | 16,199 |
| Total .. | 16,31,037 | 33,57,086 | 14,592 | 1,00,66,720 | 2,96,071 | 11,20,498 | 1,54,435 |

*Total Exports of Treasure on Private Account to Foreign Countries and Indian Ports from Bombay by Sea from 1st January to 31st December 1938.*

| To | Gold. | | | Silver. | | | |
|---|---|---|---|---|---|---|---|
| | Bullion. | Sovereigns and Half-Sovereigns. | Other Coin. | Bullion. | Dollars. | Government of India Rupees. | Other Coin. |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| London, Liverpool, Plymouth, etc.. | 3,66,80,635 | 4,82,93,572 | .... | 55,13,574 | .... | .... | .... |
| London, New York, Paris or Amsterdam .. .. .. | 1,75,40,067 | 1,48,95,991 | .... | .... | .... | .... | .... |
| Continent of Europe .. .. | .... | 56,14,637 | .... | .... | .... | .... | .... |
| America .. .. .. .. | 68,25,974 | .... | .... | .... | .... | .... | .... |
| Egypt .. .. .. .. | .... | .... | .... | .... | .... | .... | .... |
| Aden .. .. .. .. | 18,774 | 5,620 | .... | .... | .... | .... | .... |
| Hongkong .. .. .. | 53,16,087 | 3,23,843 | .... | .... | .... | .... | .... |
| Straits Settlement .. .. .. | 1,85,778 | .... | .... | .... | .... | .... | 1,365 |
| African Ports .. .. .. | 4,92,817 | 7,008 | .... | 50 | .... | 44,000 | .... |
| Arabia Red Sea Port .. .. | .... | .... | .... | .... | .... | 6,02,000 | .... |
| Sourabaya .. .. .. .. | .... | 2,21,191 | .... | .... | .... | .... | .... |
| Colombo .. .. .. .. | 4,87,806 | .... | .... | .... | .... | .... | .... |
| All Indian Ports .. .. .. | .... | .... | .... | 16,31,311 | .... | .... | .... |
| Total .. | 6,75,47,938 | 6,93,61,862 | .... | 71,44,935 | .... | 6,46,000 | 1,365 |

*Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay by Sea to Europe (including Port Said for orders) during the Calendar years* 1892 *to* 1938.

| Years. | Cotton. | Wool and Goat Hair. | Linseed. | Rape Seed. | Gingelly Seed. | Wheat. | Myrabollams. |
|---|---|---|---|---|---|---|---|
| | Bales. | Bales. | Cwts. | Cwts. | Cwts. | Cwts. | Cwts. |
| 1892 .. .. .. | 954,243 | 53,275 | 3,805,823 | 1,758,459 | 1,227,560 | 9,374,762 | 620,133 |
| 1893 .. .. .. | 857,771 | 49,538 | 4,319,264 | 4,275,862 | 1,510,317 | 5,043,690 | 563,053 |
| 1894 .. .. .. | 797,070 | 54,678 | 5,389,941 | 3,306,108 | 1,126,418 | 1,561,048 | 1,076,482 |
| 1895 .. .. .. | 624,465 | 61,586 | 2,639,749 | 1,829,827 | 1,379,335 | 2,522,933 | 775,582 |
| 1896 .. .. .. | 772,258 | 58,520 | 3,214,613 | 1,495,463 | 1,186,842 | 1,429,572 | 839,314 |
| 1897 .. .. .. | 511,899 | 51,710 | 775,838 | 1,874,663 | 831,398 | 5,343 | 555,081 |
| 1898 .. .. .. | 490,544 | 51,653 | 2,729,122 | 2,287,393 | 1,847,419 | 5,781,881 | 635,732 |
| 1899 .. .. .. | 500,232 | 53,272 | 2,136,142 | 1,967,680 | 1,613,679 | 2,852,863 | 752,343 |
| 1900 .. .. .. | 232,425 | 40,611 | 811,128 | 1,050,052 | 1,613,135 | 608 | 878,740 |
| 1901 .. .. .. | 560,434 | 33,091 | 1,754,701 | 2,586,544 | 1,704,817 | 38,619 | 728,055 |
| 1902 .. .. .. | 577,929 | 39,793 | 2,017,704 | 2,742,283 | 1,881,426 | 211,397 | 1,079,241 |
| 1903 .. .. .. | 958,199 | 49,332 | 2,957,635 | 2,614,181 | 3,063,821 | 2,783,625 | 748,137 |
| 1904 .. .. .. | 926,295 | 58,319 | 3,808,789 | 2,182,881 | 2,266,118 | 5,302,304 | 958,886 |
| 1905 .. .. .. | 667,323 | 63,666 | 3,485,956 | 728,041 | 1,420,503 | 4,205,315 | 621,298 |
| 1906 .. .. .. | 989,693 | 59,101 | 1,889,089 | 829,438 | 1,578,931 | 485,747 | 779,584 |
| 1907 .. .. .. | 1,126,376 | 54,390 | 2,333,472 | 2,026,544 | 2,235,206 | 552,660 | 848,293 |
| 1908 .. .. .. | 659,822 | 47,344 | 1,046,806 | 802,923 | 1,018,619 | 12,740 | 1,304,388 |
| 1909 .. .. .. | 672,247 | 69,121 | 1,843,403 | 1,273,005 | 1,620,631 | 2,177,644 | 76,757 |
| 1910 .. .. .. | 1,153,233 | 68,059 | 2,546,238 | 2,137,828 | 2,864,185 | 1,673,016 | 917,208 |
| 1911 .. .. .. | 776,417 | 62,721 | 4,905,089 | 1,383,053 | 2,016,231 | 3,326,327 | 662,892 |
| 1912 .. .. .. | 436,208 | 64,072 | 3,579,356 | 1,069,916 | 1,012,554 | 3,805,556 | 652,080 |
| 1913 .. .. .. | 736,262 | 63,244 | 3,713,812 | 1,042,510 | 1,695,000 | 4,997,989 | 549,483 |
| 1914 .. .. .. | 1,113,016 | 54,555 | 2,622,097 | 678,060 | 1,280,036 | 109,323 | 755,687 |

*Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay by Sea to Europe (including Port Said for orders) during the Calendar Years* 1892 *to* 1938—continued.

| Years. | Cotton. | Wool and Goat Hair. | Linseed. | Rape Seed. | Gingelly Seed. | Wheat. | Myrabollams. |
|---|---|---|---|---|---|---|---|
| | Bales. | Bales. | Cwts. | Cwts. | Cwts. | Cwts. | Cwts. |
| 1915 .. .. .. | 403,322 | 82,456 | 1,603,837 | 543,494 | 150,068 | 1,593,092 | 601,144 |
| 1916 .. .. .. | 293,876 | 77,109 | 5,410,560 | 451,732 | 1,130,405 | 545,656 | 422,965 |
| 1917 .. .. .. | 358,378 | 84,151 | 2,630,619 | 321,811 | 639,091 | 4,636,634 | 408,692 |
| 1918 .. .. .. | 190,529 | 109,850 | 2,474,109 | 73,181 | 3,552 | 1,487,714 | 300,061 |
| 1919 .. .. .. | 337,043 | 63,938 | 2,689,540 | 396,514 | 331,022 | 126,416 | 538,022 |
| 1920 .. .. .. | 649,736 | 42,920 | 1,511,233 | 729,716 | 678,059 | .... | 346,812 |
| 1921 .. .. .. | 503,215 | 36,931 | 524,442 | 165,908 | 264,842 | .... | 419,329 |
| 1922 .. .. .. | 628,674 | 75,326 | 2,307,369 | 464,045 | 610,412 | 1,000 | 525,031 |
| 1923 .. .. .. | 980,710 | 51,734 | 3,043,144 | 786,356 | 156,675 | 419,046 | 389,198 |
| *Exports of Cotton Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay, by Sea to all Foreign Countries during the Years* 1924 *to* 1938. | | | | | | | |
| 1924 .. .. | 2,520,053 | 75,992 | 2,990,141 | 881,200 | 468,157 | 547,085 | 888,994 |
| 1925 .. .. | 2,820,629 | 66,329 | 3,524,849 | 531,136 | 812,900 | 1,187,532 | 605,257 |
| 1926 .. .. | 2,257,802 | 46,347 | 1,585,096 | 77,894 | 72,752 | 138,592 | 719,078 |
| 1927 .. .. | 2,052,225 | 57,996 | 1,641,559 | 52,861 | 80,010 | 32,880 | 883,259 |
| 1928 .. .. | 2,563,221 | 71,769 | 1,828,077 | 189,435 | 471,740 | 68,162 | 641,162 |
| 1929 .. .. | 2,678,328 | 83,264 | 1,576,531 | 39,838 | 415,725 | 47,553 | 729,169 |
| 1930 .. .. † | 2,755,604 | 41,532 | 2,110,422 | 13,354 | 19,708 | 32,857 | 732,974 |
| 1931 .. .. | 2,194,682 | 49,201 | 926,552 | 18,155 | 83,802 | 71,035 | 644,706 |
| 1932 .. .. | 924,302 | 33,474 | 491,481 | 39,023 | 248,126 | 26,236 | 592,374 |
| 1933 .. .. | 1,545,511 | 57,388 | 3,298,611 | 49,677 | 305,965 | 25,937 | 709,041 |
| 1934 .. .. | 1,713,319 | 41,329 | 3,229,879 | 69,178* | 143,941 | 24,865 | 617,732 |
| 1935 .. .. | 1,633,888 | 48,036 | 1,222,517 | 43,854* | 11,230 | 30,088 | 702,840 |
| 1936 .. .. | 2,153,096 | 34,789 | 3,329,916 | 52,145* | 85,023 | 46,884 | 655,634 |
| 1937 .. .. | 1,779,985 | 38,033 | 2,086,453 | 53,742* | 250,228 | 50,131 | 623,774 |
| 1938 .. .. | 1,535,838 | 33,350 | 3,334,933 | 46,674* | 83,175 | 40,738 | 549,023 |

* Inclusive of Mustard Seed. † Includes Cotton exported to Calcutta and Coast Ports.

*STATEMENT showing the Exports from Bombay by Sea of Indian Manufactured Cotton Piecegoods and Yarns since 1908.*

| Year ending 31st Dec. | Grey and White Piecegoods. | | | Coloured Piecegoods. | | Total Piecegoods. | | | Yarns. | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Packages. | Yards. | Lbs. | Packages. | Yards. | Packages. | Yards. | Lbs.* | Bales. | Lbs. |
| 1908 | 120,300 | 215,698,687 | 60,862,003 | 30,997 | 50,792,342 | 151,297 | 266,491,029 | 66,622,757 | 598,621 | 234,484,640 |
| 1909 | 141,920 | 252,992,500 | 70,093,139 | 39,326 | 66,751,717 | 181,246 | 319,744,217 | 79,936,054 | 636,329 | 252,460,745 |
| 1910 | 136,972 | 250,489,940 | 68,312,314 | 45,333 | 75,673,845 | 182,305 | 326,163,785 | 81,540,946 | 565,999 | 223,758,970 |
| 1911 | 122,601 | 224,438,698 | 63,524,949 | 54,000 | 89,411,376 | 176,601 | 313,850,074 | 78,462,518 | 403,214 | 158,582,640 |
| 1912 | 126,681 | 231,976,527 | 66,009,051 | 64,169 | 107,289,928 | 190,850 | 339,266,455 | 84,816,614 | 579,281 | 228,759,617 |
| 1913 | 97,005 | 177,239,570 | 50,527,978 | 55,071 | 92,467,657 | 152,076 | 269,707,227 | 67,426,807 | 518,230 | 205,207,967 |
| 1914 | 91,837 | 169,515,937 | 49,361,518 | 42,084 | 72,602,270 | 133,921 | 242,118,207 | 60,529,552 | 437,159 | 173,172,953 |
| 1915 | 108,956 | 199,968,079 | 58,350,926 | 61,045 | 103,038,333 | 170,001 | 303,006,412 | 75,751,603 | 471,395 | 186,585,698 |
| 1916 | 175,923 | 248,326,445 | 70,956,464 | 82,818 | 139,616,532 | 258,741 | 3 7,942,977 | 96,985,744 | 410,972 | 162,627,300 |
| 1917 | 111,845 | 176,934,869 | 46,119,953 | 86,909 | 148,290,803 | 198,754 | 325,225,672 | 81,306,418 | 373,187 | 147,167,250 |
| 1918 | 94,071 | 153,463,774 | 40,025,958 | 71,424 | 126,063,308 | 165,495 | 279,527,082 | 69,881,770 | 193,275 | 75,599,059 |
| 1919 | 132,112 | 219,343,388 | 56,536,165 | 116,313 | 202,286,577 | 248,425 | 421,629,965 | 105,407,491 | 372,212 | 146,832,081 |
| 1920 | 149,552 | 241,230,910 | 61,482,863 | 157,042 | 120,332,112 | 306,594 | 361,563,022 | 90,390,755 | 288,778 | 113,351,962 |
| 1921 | 120,739 | 212,563,435 | 53,577,720 | 99,518 | 159,572,347 | 220,257 | 372,135,782 | 93,033,945 | 314,330 | 124,310,163 |
| 1922 | 138,769 | 254,292,354 | 65,928,239 | 100,581 | 176,411,422 | 239,350 | 430,703,776 | 107,675,944 | 267,711 | 105,122,885 |
| 1923 | 173,381 | 304,497,408 | 69,452,982 | 110,243 | 180,990,710 | 283,624 | 485,488,118 | 121,372,029 | 215,036 | 83,657,151 |
| 1924 | 177,950 | 320,087,971 | 75,657,413 | 103,999 | 169,055,231 | 281,949 | 489,143,202 | 122,285,800 | 175,175 | 67,861,329 |
| 1925 | 133,458 | 233,217,232 | 55,688,235 | 96,447 | 158,069,128 | 229,905 | 391,286,360 | 97,821,590 | 176,210 | 67,892,155 |
| 1926 | 119,331 | 210,752,239 | 50,243,116 | 112,795 | 180,075,412 | 232,126 | 390,827,651 | 97,706,912 | 175,869 | 67,786,883 |
| 1927 | 130,963 | 229,773,883 | 55,215,566 | 118,474 | 196,438,974 | 249,437 | 426,212,857 | 106,553,214 | 156,999 | 60,555,498 |
| 1928 | 100,699 | 177,282,508 | 34,777,044 | 97,936 | 157,677,505 | 198,635 | 334,960,013 | 83,740,003 | 102,954 | 40,816,700 |
| 1929 | 106,748 | 193,179,168 | 38,635,833 | 82,351 | 147,586,666 | 189,099 | 340,765,834 | 85,191,458 | 125,577 | 54,361,428 |
| 1930 | 136,281 | 241,220,836 | 48,964,399 | 75,555 | 122,465,715 | 211,836 | 363,686,551 | 90,921,637 | 126,006 | 50,490,540 |
| 1931 | 192,578 | 342,654,885 | 68,686,328 | 80,346 | 127,129,785 | 272,924 | 469,784,670 | 117,446,167 | 142,236 | 65,666,253 |
| 1932 | 294,483 | 794,303,908 | 106,795,020 | 72,177 | 108,236,606 | 366,660 | 902,540,514 | 225,635,128 | 122,156 | 46,294,310 |
| 1933 | 209,259 | 390,535,659 | 78,065,873 | 58,052 | 87,899,698 | 267,311 | 478,435,357 | 119,608,839 | 112,059 | 43,557,629 |
| 1934 | 229,024 | 414,324,303 | 86,762,142 | 65,728 | 94,046,841 | 294,752 | 508,371,144 | 127,092,786 | 94,853 | 37,126,195 |
| 1935 | 216,300 | 383,877,416 | 76,775,483 | 55,416 | 81,771,947 | 271,716 | 465,649,363 | 116,412,340 | 88,088 | 34,626,637 |
| 1936 | 243,834 | 442,916,172 | 88,583,234 | 58,167 | 84,883,124 | 302,001 | 527,799,296 | 131,949,824 | 80,995 | 31,337,340 |
| 1937 | 263,665 | 406,706,851 | 81,341,332 | 98,229 | 105,542,821 | 361,894 | 512,249,672 | 128,062,418 | 99,726 | 33,158,260 |
| 1938 | 222,819 | 497,943,219 | 99,588,644 | 68,733 | 90,598,779 | 291,552 | 588,541,998 | 147,135,499 | 133,719 | 53,845,533 |

* The weights have been arrived at by dividing the length in yards by 4.00, the average weight of the Grey and Bleached Cloth.

*Exports of Indian Manufactured Cotton Yarns by Sea and Rail from Bombay (Converted into Bales of 400 lbs. each) since 1908.*

| 1st January to 31st December | To China. | To Japan. | Total to China and Japan. | Total to other Ports. | Total Exports by Sea. | Total Exports by Rail.* | Total Exports by Sea and Rail. |
|---|---|---|---|---|---|---|---|
| 1908 .. .. .. | 441,899 | .... | 441,899 | 144,312 | 586,211 | 18,334 | 604,545 |
| 1909 .. .. .. | 510,746 | .... | 510,746 | 120,406 | 631,152 | 19,302 | 650,454 |
| 1910 .. .. .. | 424,893 | .... | 424,893 | 130,506 | 555,399 | 19,103 | 574,502 |
| 1911 .. .. .. | 275,087 | .... | 275,087 | 121,369 | 396,456 | 18,927 | 415,383 |
| 1912 .. .. .. | 433,989 | .... | 433,989 | 137,910 | 571,899 | 13,400 | 585,299 |
| 1913 .. .. .. | 405,359 | .... | 405,359 | 107,661 | 513,020 | 15,011 | 528,031 |
| 1914 .. .. .. | 324,586 | .... | 324,586 | 108,346 | 432,932 | 30,957 | 463,889 |
| 1915 .. .. .. | 358,777 | .... | 358,777 | 107,687 | 466,464 | 44,192 | 510,656 |
| 1916 .. .. .. | 303,692 | .... | 303,692 | 102,876 | 406,568 | 37,846 | 444,414 |
| 1917 .. .. .. | 286,365 | 107 | 286,472 | 81,446 | 367,918 | 48,203 | 416,121 |
| 1918 .. .. .. | 108,568 | .... | 108,568 | 80,429 | 188,997 | 87,115 | 276,112 |
| 1919 .. .. .. | 270,058 | 389 | 270,447 | 96,633 | 367,080 | 47,980 | 415,060 |
| 1920 .. .. .. | 175,688 | .... | 175,688 | 107,692 | 283,380 | 119,436 | 402,816 |
| 1921 .. .. .. | 152,911 | 10 | 152,921 | 157,854 | 310,775 | 153,575 | 464,350 |
| 1922 .. .. .. | 118,970 | .... | 118,970 | 143,837 | 262,807 | 167,543 | 430,350 |
| 1923 .. .. .. | 58,241 | .... | 58,241 | 150,901 | 209,142 | 166,491 | 375,633 |
| 1924 .. .. .. | 31,161 | .... | 31,161 | 138,493 | 169,654 | 123,461 | 293,115 |
| 1925 .. .. .. | 28,623 | 10 | 28,633 | 141,097 | 169,730 | 143,174 | 312,904 |
| 1926 .. .. .. | 44,152 | 36 | 44,188 | 125,279 | 169,467 | † | .... |
| 1927 .. .. .. | 2,753 | 67 | 2,820 | 148,568 | 151,388 | † | .... |
| 1928 .. .. .. | 3,660 | .... | 3,660 | 98,381 | 102,041 | † | .... |
| 1929 .. .. .. | 3,169 | .... | 3,169 | 132,734 | 135,903 | † | .... |
| 1930 .. .. .. | 1,831 | .... | 1,831 | 124,395 | 126,226 | † | .... |
| 1931 .. .. .. | 213 | .... | 213 | 142,023 | 142,236 | † | .... |
| 1932 .. .. .. | .... | .... | .... | 115,736 | 115,736 | † | .... |
| 1933 .. .. .. | .... | .... | .... | 108,894 | 108,894 | † | .... |
| 1934 .. .. .. | .... | .... | .... | 92,812 | 92,812 | † | .... |
| 1935 .. .. .. | .... | .... | .... | 86,567 | 86,567 | † | .... |
| 1936 .. .. .. | .... | .... | .... | 78,343 | 78,343 | † | .... |
| 1937 .. .. .. | 6,595 | 50 | 6,645 | 76,250 | 82,895 | † | .... |
| 1938 .. .. .. | 21,694 | .... | 21,694 | 112,919 | 134,613 | † | .... |

* Compiled from Returns received from the Railway Companies.

† Figures not available.

*Foreign Countries to which Cotton Grey Piecegoods of Indian manufacture have been exported from Bombay by Sea since* 1933-34.
(*Year ending* 31*st March.*)

| To | In lakhs of yards (000's omitted). | | | | |
|---|---|---|---|---|---|
| | 1933-34. | 1934-35. | 1935-36. | 1936-37. | 1937-38. |
| United Kingdom .. .. | .09 | .03 | 1.13 | .04 | .03 |
| Aden and Dependencies .. | 2.45 | 4.22 | 4.93 | 2.77 | 2.27 |
| Bahrein Islands .. .. | .06 | .34 | .03 | .06 | .12 |
| Ceylon .. .. .. | .31 | 4.35 | 2.92 | 1.75 | 1.08 |
| Straits Settlements including Labuan .. .. .. | .66 | 1.89 | 5.86 | 10.57 | 25.30 |
| British West India Islands .. | .. | .. | .. | .. | 11.86 |
| Federated Malay States .. | .. | .64 | .12 | .59 | 2.22 |
| Cyprus .. .. .. | .. | 3.08 | 9.91 | 10.62 | 9.07 |
| Burmah .. .. .. | .. | .. | .. | .. | 460.72 |
| Zanzibar and Pemba .. | 2.67 | 1.18 | .29 | .09 | .26 |
| Kenya Colony .. .. | 4.08 | 3.26 | 2.39 | 3.60 | 5.93 |
| Nigeria .. .. .. | .. | .62 | 1.68 | 5.48 | 67.38 |
| Tanganyika Territory .. | 5.00 | 4.61 | 5.20 | 9.11 | 17.59 |
| Somaliland Protectorate .. | .. | .11 | .59 | 5.90 | 1.64 |
| Anglo-Egyptian Sudan .. | 1.44 | 1.64 | 1.01 | 1.72 | 2.38 |
| Mauritius and Dependencies.. | .49 | 12.36 | 23.56 | 19.37 | 21.96 |
| Seychelles .. .. .. | .38 | .86 | .36 | 1.96 | .89 |
| Commonwealth of Australia.. | .42 | .39 | .03 | .40 | 4.46 |
| Other British Possessions .. | .07 | .42 | 1.14 | 2.92 | 16.42 |
| Syria .. .. .. .. | .. | .. | .. | .80 | .20 |
| Muscat Territory and Trucial Oman .. .. .. | .23 | .35 | .62 | .32 | .87 |
| Java .. .. .. .. | .. | .. | .. | .. | 12.10 |
| Other Native States in Arabia. | .76 | .55 | .44 | .42 | .09 |
| Iraq .. .. .. .. | 1.30 | .67 | .52 | .23 | 5.99 |
| Persia .. .. .. .. | 1.30 | .33 | .75 | .. | .. |
| Siam .. .. .. .. | 1.27 | .01 | .01 | .. | .67 |
| Egypt .. .. .. .. | .. | .. | 3.01 | 124.01 | 148.82 |
| Portuguese East Africa .. | 13.32 | 16.89 | 20.84 | 25.92 | 19.59 |
| Italian East Africa .. .. | .45 | .17 | .13 | .. | .. |
| French Somaliland .. .. | 3.05 | 2.47 | .12 | .37 | .. |
| Guatemala .. .. .. | .. | .. | .. | 2.17 | 5.99 |
| Other Foreign Countries .. | .. | .. | .01 | .. | 4.64 |
| Total Grey Piecegoods .. | 39.80 | 61.44 | 87.60 | 231.19 | 850.54 |
| Value in lakhs of Rupees.. | 10.24 | 13.93 | 17.84 | 40.60 | 176.00 |

*Foreign Countries to which Indian Cotton Yarn have been exported from Bombay by Sea since* 1933-34.
(*Year ending* 31*st March.*)

| To | In lakhs of lbs. (000's omitted.) | | | | |
|---|---|---|---|---|---|
| | 1933-34. | 1934-35. | 1935-36. | 1936-37. | 1937-38. |
| United Kingdom | 4.40 | 2.36 | 1.82 | 1.50 | 2.94 |
| Malta and Gozo | .35 | .11 | .20 | .18 | .26 |
| Cyprus | 2.17 | 2.37 | 2.55 | 2.86 | 2.37 |
| Aden and Dependencies | 21.39 | 14.74 | 15.19 | 11.49 | 16.10 |
| Bahrein Islands | 1.33 | 1.16 | 1.34 | 1.90 | 1.44 |
| Palestine | 3.68 | 3.76 | 3.88 | 2.71 | 2.18 |
| Ceylon | .09 | .29 | .11 | .24 | .97 |
| Burmah | .. | .. | .. | .. | 36.48 |
| Straits Settlements including Labuan | 6.69 | 6.98 | 12.68 | 13.87 | 34.38 |
| Hongkong | .. | .. | .. | 1.73 | 49.83 |
| Tanganyika Territory | .21 | .23 | .33 | .37 | .34 |
| Anglo-Egyptian Sudan | .02 | .22 | .18 | .45 | .99 |
| Zanzibar and Pemba | .55 | .55 | .56 | .66 | .94 |
| Kenya Colony | 1.20 | .89 | 1.21 | 1.15 | 1.57 |
| Australasia | .. | .18 | .. | .. | .. |
| Other British Possessions | .09 | .11 | .09 | .02 | .40 |
| Belgium | .. | .. | .24 | 6.57 | 5.85 |
| Germany | .61 | .93 | .. | .. | .. |
| Italy | .08 | .10 | .12 | .. | .. |
| Greece | .51 | .71 | 1.55 | 1.74 | .79 |
| Georgia | .. | .. | .14 | .. | .. |
| Lithuania | .. | .. | .26 | .. | .24 |
| Bulgaria | 3.26 | 1.36 | .10 | 2.50 | 2.69 |
| Rumania | .. | .62 | 1.73 | 1.20 | 1.11 |
| Yugoslavia | .. | .. | .. | .74 | .. |
| Tripoli | .30 | .. | .. | .. | .20 |
| Egypt | 1.72 | .29 | 3.04 | 4.18 | 7.13 |
| Syria | 28.04 | 34.07 | 24.46 | 35.60 | 30.22 |
| Smyrna | .. | .. | .95 | .. | .. |
| Turkey, European | .. | .12 | .. | 1.16 | 33.26 |
| Turkey, Asiatic | 2.00 | 5.35 | .. | .80 | 13.32 |
| Muscat Territory and Trucial Oman | 1.36 | 1.13 | 1.39 | 1.27 | 2.46 |
| Other Native States in Arabia. | 1.71 | 1.17 | .. | 1.69 | 2.10 |
| Iraq | 8.06 | 7.40 | 8.48 | 10.23 | 10.86 |
| Persia | 43.49 | 15.36 | .08 | .. | .14 |
| Siam | 8.29 | 6.57 | 5.31 | 2.90 | 12.70 |
| Java | .. | .. | .. | .78 | 2.34 |
| China excluding Hongkong | .. | 1.02 | .. | .. | .. |
| Japan | .. | .. | .. | .20 | .. |
| Philippines | .. | .. | .18 | .. | 3.00 |
| Portuguese East Africa | .01 | .. | .. | .01 | .14 |
| Italian East Africa | .48 | .53 | .64 | .. | .. |
| French Somaliland | 15.06 | 9.41 | 2.80 | .81 | .. |
| Guatemala | .. | .. | .. | .18 | .46 |
| U. S. of America *via* Atlantic Coast | .. | .. | .. | .08 | .32 |
| Other Foreign Countries | .10 | .04 | .. | .18 | .43 |
| Total Yarns | 157.25 | 120.13 | 91.61 | 111.95 | 280.93 |
| Value in lakhs of Rupees | 78.55 | 58.80 | 44.21 | 53.61 | 135.53 |

## SHIPPING—

*Number and Tonnage of Vessels, distinguishing Sailing and Steam, from and to Foreign Countries at Ports in British*

**ENTER**

| YEAR. | With Cargoes. | | | | | | In Ballast. | |
|---|---|---|---|---|---|---|---|---|
| | Sailing. | | Steam. | | Total. | | Sailing. | |
| | Vessels. | Net Tons. | Vessels. | Net Tons. | Vessels. | Net Tons. | Vessels. | Net Tons. |
| 1926-1927 .. | 518 | 51,249 | 2,365 | 6,930,836 | 2,883 | 6,982,085 | 397 | 39,415 |
| 1927-1928 .. | 564 | 51,794 | 2,571 | 7,598,539 | 3,135 | 7,650,333 | 405 | 38,459 |
| 1928-1929 .. | 491 | 43,303 | 2,718 | 8,187,016 | 3,209 | 8,230,319 | 420 | 39,941 |
| 1929-1930 .. | 538 | 47,775 | 2,721 | 8,327,048 | 3,259 | 8,374,823 | 293 | 28,862 |
| 1930-1931 .. | 492 | 41,665 | 2,538 | 7,858,281 | 3,030 | 7,899,946 | 338 | 33,838 |
| 1931-1932 .. | 522 | 42,853 | 2,328 | 7,337,802 | 2,850 | 7,380,655 | 313 | 30,232 |
| 1932-1933 .. | 509 | 40,005 | 2,124 | 6,909,371 | 2,633 | 6,949,376 | 314 | 30,683 |
| 1933-1934 .. | 415 | 33,108 | 2,219 | 7,320,543 | 2,634 | 7,353,651 | 354 | 28,543 |
| 1934-1935 .. | 483 | 38,433 | 2,399 | 7,901,184 | 2,882 | 7,939,617 | 453 | 38,890 |
| 1935-1936 .. | 457 | 38,112 | 2,456 | 8,264,163 | 2,913 | 8,302,275 | 369 | 33,548 |
| 1936-1937 .. | 489 | 41,414 | 2,441 | 8,147,557 | 2,930 | 8,188,971 | 389 | 32,707 |
| 1937-1938 .. | 583 | 44,324 | 2,678 | 8,995,939 | 3,261 | 9,040,263 | † | † |

**CLEAR**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 1926-1927 .. | 871 | 89,181 | 2,630 | 7,800,807 | 3,501 | 7,889,988 | 32 | 2,901 |
| 1927-1928 .. | 992 | 96,946 | 2,667 | 7,828,456 | 3,659 | 7,925,402 | 24 | 2,590 |
| 1928-1929 .. | 963 | 91,108 | 2,804 | 8,367,598 | 3,767 | 8,458,706 | 30 | 3,510 |
| 1929-1930 .. | 873 | 82,070 | 2,889 | 8,778,665 | 3,762 | 8,860,735 | 23 | 1,462 |
| 1930-1931 .. | 920 | 86,604 | 2,525 | 7,829,064 | 3,445 | 7,915,668 | 53 | 3,686 |
| 1931-1932 .. | 843 | 76,101 | 2,339 | 7,484,153 | 3,182 | 7,560,254 | 47 | 4,381 |
| 1932-1933 .. | 858 | 76,109 | 2,216 | 7,206,561 | 3,074 | 7,282,670 | 48 | 3,987 |
| 1933-1934 .. | 800 | 69,207 | 2,334 | 7,647,628 | 3,134 | 7,716,835 | 48 | 2,598 |
| 1934-1935 .. | 964 | 77,717 | 2,497 | 8,149,328 | 3,461 | 8,227,045 | 29 | 2,313 |
| 1935-1936 .. | 891 | 77,495 | 2,477 | 8,170,185 | 3,368 | 8,247,680 | 43 | 3,606 |
| 1936-1937 .. | 932 | 81,072 | 2,646 | 8,651,931 | 3,578 | 8,733,003 | 42 | 3,693 |
| 1937-1938 .. | 1,036 | 76,248 | 2,870 | 9,424,731 | 3,906 | 9,500,979 | † | † |

† Details not.

## FOREIGN TRADE.

*Steam, which Entered and Cleared with Cargoes and in Ballast, India in each Official Year from* 1926-27 *to* 1937-38.

**ED.**

| Ballast. | | Total. | | Total. | | | | Total. | |
|---|---|---|---|---|---|---|---|---|---|
| Steam. | | Total. | | Sailing. | | Steam. | | | |
| Vessels. | Net Tons. | Vessels. | Net Tons. | Vessels. | Net Tons. | Vessels. | Net Tons. | Sailing and Steam Vessels. | Net Tons. |
| 402 | 1,323,166 | 799 | 1,362,581 | 915 | 90,664 | 2,767 | 8,254,002 | 3,682 | 8,344,666 |
| 378 | 1,188,048 | 783 | 1,226,507 | 969 | 90,253 | 2,949 | 8,786,587 | 3,918 | 8,876,840 |
| 417 | 1,247,053 | 837 | 1,286,994 | 911 | 83,244 | 3,135 | 9,434,069 | 4,046 | 9,517,313 |
| 421 | 1,246,301 | 714 | 1,275,163 | 831 | 76,637 | 3,142 | 9,573,349 | 3,973 | 9,649,986 |
| 340 | 1,077,756 | 678 | 1,111,594 | 830 | 75,503 | 2,878 | 8,936,037 | 3,708 | 9,011,540 |
| 292 | 959,696 | 605 | 989,928 | 835 | 73,085 | 2,620 | 8,297,498 | 3,455 | 8,370,583 |
| 294 | 922,723 | 608 | 943,406 | 823 | 70,688 | 2,418 | 7,832,094 | 3,241 | 7,902,782 |
| 327 | 1,081,793 | 681 | 1,110,336 | 769 | 61,651 | 2,546 | 8,402,336 | 3,315 | 8,463,987 |
| 285 | 920,567 | 738 | 959,457 | 936 | 77,323 | 2,684 | 8,821,751 | 3,620 | 8,899,074 |
| 286 | 942,228 | 655 | 975,776 | 826 | 71,660 | 2,742 | 9,206,391 | 3,568 | 9,278,051 |
| 355 | 1,211,421 | 744 | 1,244,128 | 878 | 74,121 | 2,796 | 9,358,978 | 3,674 | 9,433,099 |
| † | † | † | † | † | † | † | † | † | † |

**ED.**

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 223 | 800,736 | 255 | 803,637 | 903 | 92,082 | 2,853 | 8,601,543 | 3,756 | 8,693,625 |
| 233 | 773,769 | 257 | 776,359 | 1,016 | 99,536 | 2,900 | 8,602,225 | 3,916 | 8,701,761 |
| 277 | 892,628 | 307 | 896,138 | 993 | 94,618 | 3,081 | 9,260,226 | 4,074 | 9,354,844 |
| 248 | 876,507 | 271 | 877,969 | 896 | 83,532 | 3,137 | 9,655,172 | 4,033 | 9,738,704 |
| 255 | 871,331 | 308 | 875,017 | 973 | 90,290 | 2,786 | 8,700,395 | 3,753 | 8,790,685 |
| 173 | 623,075 | 220 | 627,456 | 890 | 80,482 | 2,512 | 8,167,228 | 3,402 | 8,187,710 |
| 152 | 518,093 | 200 | 522,080 | 906 | 80,096 | 2,368 | 7,724,654 | 3,274 | 7,804,750 |
| 120 | 446,313 | 168 | 448,911 | 848 | 71,805 | 2,454 | 8,093,941 | 3,302 | 8,165,746 |
| 150 | 487,539 | 179 | 489,852 | 998 | 80,030 | 2,647 | 8,636,867 | 3,640 | 8,716,897 |
| 220 | 789,994 | 263 | 793,600 | 934 | 81,101 | 2,697 | 8,960,179 | 3,631 | 9,041,280 |
| 190 | 738,092 | 241 | 741,785 | 974 | 84,765 | 2,836 | 9,390,023 | 3,810 | 9,474,788 |
| † | † | † | † | † | † | † | † | † | † |

available.

## SHIPPING—

*Number and Tonnage of Vessels, distinguishing Sailing and Steam, Foreign Countries at the Chief Port of the Bombay*

**ENTER**

| Year. | With Cargoes. | | | | | | In | |
|---|---|---|---|---|---|---|---|---|
| | Sailing. | | Steam. | | Total. | | Sailing. | |
| | Vessels. | Net Tons. | Vessels. | Net Tons. | Vessels. | Net Tons. | Vessels. | Net Tons. |
| 1926-1927 .. | 110 | 14,547 | 548 | 2,115,885 | 658 | 2,130,432 | 3 | 631 |
| 1927-1928 .. | 140 | 15,411 | 640 | 2,465,823 | 780 | 2,481,234 | .. | .. |
| 1928-1929 .. | 123 | 13,381 | 615 | 2,500,473 | 738 | 2,513,854 | .. | .. |
| 1929-1930 .. | 120 | 12,527 | 645 | 2,728,985 | 765 | 2,741,512 | .. | .. |
| 1930-1931 .. | 105 | 10,134 | 601 | 2,578,353 | 706 | 2,588,487 | .. | .. |
| 1931-1932 .. | 96 | 10,303 | 539 | 2,530,376 | 635 | 2,540,679 | .. | .. |
| 1932-1933 .. | 102 | 10,587 | 565 | 2,916,674 | 667 | 2,927,261 | .. | .. |
| 1933-1934 .. | 94 | 9,679 | 573 | 3,051,270 | 667 | 3,060,949 | 1 | 124 |
| 1934-1935 .. | 93 | 10,030 | 572 | 3,035,688 | 665 | 3,045,718 | .. | .. |
| 1935-1936 .. | 79 | 8,905 | 591 | 3,058,539 | 670 | 3,067,444 | 1 | 75 |
| 1936-1937 .. | 83 | 8,535 | 568 | 2,982,625 | 651 | 2,991,160 | 2 | 158 |
| 1937-1938 .. | 81 | 8,136 | 594 | 32,03,804 | 675 | 3,211,940 | .. | .. |

**CLEAR**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 1926-1927 .. | 87 | 9,785 | 347 | 1,438,431 | 434 | 1,448,216 | 7 | 1,162 |
| 1927-1928 .. | 101 | 11,383 | 422 | 1,688,802 | 523 | 1,700,185 | .. | .. |
| 1928-1929 .. | 80 | 8,027 | 449 | 1,956,501 | 529 | 1,964,528 | 1 | 250 |
| 1929-1930 .. | 84 | 8,185 | 474 | 2,086,533 | 558 | 2,094,718 | 1 | 56 |
| 1930-1931 .. | 77 | 7,561 | 433 | 1,983,856 | 510 | 1,991,417 | 3 | 323 |
| 1931-1932 .. | 69 | 6,552 | 429 | 2,183,882 | 498 | 2,190,434 | 1 | 56 |
| 1932-1933 .. | 81 | 7,858 | 470 | 2,627,271 | 551 | 2,635,129 | 3 | 277 |
| 1933-1934 .. | 94 | 9,754 | 478 | 2,684,730 | 572 | 2,694,481 | 7 | 558 |
| 1934-1935 .. | 87 | 9,038 | 464 | 2,703,615 | 551 | 2,712,653 | 1 | 49 |
| 1935-1936 .. | 101 | 9,837 | 444 | 2,566,995 | 545 | 2,576,832 | .. | .. |
| 1936-1937 .. | 82 | 7,900 | 438 | 2,483,445 | 520 | 2,491,345 | 1 | 148 |
| 1937-1938 .. | 75 | 7,272 | 432 | 2,499,844 | 507 | 2,507,116 | 1 | 48 |

## FOREIGN TRADE.

*which Entered and Cleared with Cargoes and in Ballast, from and to Presidency in each Official Year from* 1926-27 *to* 1937-38.

**ED.**

| Ballast. | | | | Total. | | | | Grand Total. | |
|---|---|---|---|---|---|---|---|---|---|
| Steam. | | Total. | | Sailing. | | Steam. | | | |
| Vessels. | Net Tons. | Vessels. | Net Tons. | Vessels. | Net Tons. | Vessels. | Net Tons. | Sailing and Steam Vessels. | Net Tons |
| 33 | 124,024 | 36 | 124,655 | 113 | 15,178 | 581 | 2,239,909 | 694 | 2,255,087 |
| 38 | 117,289 | 38 | 117,289 | 140 | 15,411 | 678 | 2,583,112 | 818 | 2,598,523 |
| 45 | 171,240 | 45 | 171,240 | 123 | 13,381 | 660 | 2,671,713 | 783 | 2,685,094 |
| 30 | 97,629 | 30 | 97,629 | 120 | 12,527 | 675 | 2,826,614 | 795 | 2,839,141 |
| 29 | 135,797 | 29 | 135,797 | 105 | 10,134 | 630 | 2,714,150 | 735 | 2,724,284 |
| 23 | 106,963 | 23 | 106,963 | 96 | 10,303 | 562 | 2,637,339 | 658 | 2,647,642 |
| 18 | 60,723 | 18 | 60,723 | 102 | 10,587 | 583 | 2,977,397 | 685 | 2,987,984 |
| 44 | 143,214 | 45 | 143,338 | 95 | 9,803 | 617 | 3,194,484 | 712 | 3,204,287 |
| 24 | 76,943 | 24 | 76,943 | 93 | 10,030 | 596 | 3,112,631 | 689 | 3,122,661 |
| 24 | 88,476 | 25 | 88,551 | 80 | 8,980 | 615 | 3,147,015 | 695 | 3,155,995 |
| 45 | 167,572 | 47 | 167,730 | 85 | 8,693 | 613 | 3,150,197 | 698 | 3,158,890 |
| 49 | 168,444 | 49 | 168,444 | 81 | 8,136 | 643 | 3,372,248 | 724 | 3,380,384 |

**ED.**

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 84 | 333,836 | 91 | 334,998 | 94 | 10,947 | 431 | 1,772,267 | 525 | 1,783,214 |
| 61 | 240,467 | 61 | 240,467 | 101 | 11,383 | 483 | 1,929,269 | 584 | 1,940,652 |
| 70 | 253,734 | 71 | 253,984 | 81 | 8,277 | 519 | 2,210,235 | 600 | 2,218,512 |
| 72 | 277,934 | 73 | 277,990 | 85 | 8,241 | 546 | 2,364,467 | 631 | 2,372,708 |
| 65 | 244,762 | 68 | 248,085 | 80 | 7,884 | 498 | 2,231,618 | 578 | 2,239,502 |
| 54 | 215,836 | 55 | 215,892 | 70 | 6,608 | 483 | 2,399,718 | 553 | 2,406,326 |
| 60 | 222,535 | 63 | 222,812 | 84 | 8,135 | 530 | 2,849,806 | 614 | 2,857,941 |
| 47 | 199,275 | 54 | 199,833 | 101 | 10,309 | 525 | 2,884,005 | 626 | 2,894,314 |
| 41 | 125,192 | 42 | 125,241 | 88 | 9,087 | 505 | 2,828,807 | 593 | 2,837,894 |
| 78 | 320,199 | 78 | 320,199 | 101 | 9,837 | 522 | 2,887,194 | 623 | 2,897,031 |
| 77 | 349,048 | 78 | 349,196 | 83 | 8,048 | 515 | 2,832,493 | 598 | 2,840,541 |
| 158 | 727,014 | 159 | 777,062 | 76 | 7,320 | 590 | 3,226,858 | 666 | 3,234,178 |

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## Current Quotations as estimated by the Committee of the

| QUOTATIONS. | Week ending 7th January 1938. | Week ending 14th January 1938. | Week ending 21st January 1938. | Week ending 28th January 1938. | Week ending 4th February 1938. | Week ending 11th February 1938. | Week ending 18th February 1938. | Week ending 25th February 1938. | Week ending 4th March 1938. | Week ending 11th March 1938. | Week ending 18th March 1938. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **EXCHANGE.** | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. |
| On England Bank Bills—Telegraphic Transfer | 1s. 6 3/32d. | 1s. 6 3/32d. | 1s. 6 3/32d. | 1s. 6 3/32d. | 1s. 6 3/32d. | 1s. 6 3/32d. | 1s. 6 3/32d. | 1s. 6 3/32d. | 1s. 6 3/32d. | 1s. 6 3/32d. | 1s. 6 3/32d. |
| On England Bank Bills—Sight | 1s. 6 3/32d. | 1s. 6 3/32d. | 1s. 6 3/32d. | 1s. 6 3/32d. | 1s. 6 3/32d. | 1s. 6 3/32d. | 1s. 6 3/32d. | 1s. 6 3/32d. | 1s. 6 3/32d. | 1s. 6 3/32d. | 1s. 6 3/32d. |
| On England Bank Bills—3 months' | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... |
| On England Bank Bills—4 " | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... |
| On England Bank Bills—6 " | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... |
| First Class Credits—3 months' Sight | 1s. 6 7/32d. | 1s. 6 7/32d. | 1s. 6 7/32d. | 1s. 6 7/32d. | 1s. 6 7/32d. | 1s. 6 7/32d. | 1s. 6 7/32d. | 1s. 6 7/32d. | 1s. 6 7/32d. | 1s. 6 7/32d. | 1s. 6 7/32d. |
| First Class Credits—4 " | 1s. 6¼d. | 1s. 6¼d. | 1s. 6¼d. | 1s. 6¼d. | 1s. 6¼d. | 1s. 6¼d. | 1s. 6¼d. | 1s. 6¼d. | 1s. 6¼d. | 1s. 6¼d. | 1s. 6¼d. |
| First Class Credits—6 " | 1s. 6 9/32d. | 1s. 6 9/32d. | 1s. 6 9/32d. | 1s. 6 9/32d. | 1s. 6 9/32d. | 1s. 6 9/32d. | 1s. 6 9/32d. | 1s. 6 9/32d. | 1s. 6 9/32d. | 1s. 6 9/32d. | 1s. 6 9/32d. |
| French Francs, D/A ... Sight | 1,129 | 1255 | 1152 | 1165 | 1171 | 1170 | 1174 | 1184 | 1190 | 1235 | 1240 |
| " " 2 months' | 1,147 | 1280 Nom. | 1170 | 1220 | 1198 | 1195 | 1198 | 1208 | 1214 | 1245 | 1262 |
| On Calcutta Bank Telegraphic Transfer | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 |
| | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. |
| Mercantile Bills 60 days' Sight (Japan per 100 Yen) | 76 4 0 | 76 4 0 | 76 4 0 | 76 4 0 | 76 4 0 | 78 4 0 | 78 4 0 | 78 4 0 | 78 4 0 | 78 0 0 | 78 14 0 |
| English Bar Gold (100 touch per tola) | 34 7 6 | 34 7 3 | 34 7 3 | 34 7 3 | 34 8 0 | 34 7 6 | 34 8 9 | 34 8 9 | 34 8 9 | 34 8 6 | 34 12 0 |
| Sovereigns | 22 6 3 | 22 6 6 | 22 6 6 | 22 6 6 | 22 6 3 | 22 6 0 | 22 6 9 | 22 6 7½ | 22 7 3 | 22 6 3 | 22 11 0 |
| Bar Silver—Ready | 49 7 6 | 49 11 0 | 50 2 0 | 50 9 0 | 50 3 0 | 50 0 0 | 50 1 0 | 50 11 0 | 51 3 0 | 51 2 0 | 51 8 0 |
| Bar Silver—Forward | 50 8 0 | 50 9 0 | 50 14 0 | 51 0 0 | 51 0 0 | 50 14 0 | 50 8 0 | 51 4 0 | 51 4 0 | 51 3 0 | 51 10 0 |
| **RATES OF DISCOUNT.** | | | | | | | | | | | |
| Bank Rate of Discount on Private Bills, 90 days' Sight | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. |
| Bank Rate of Interest on Demand Loans on Government Securities | 2 " | 2 " | 2 " | 2 " | 2 " | 2 " | 3 " | 3 " | 3 " | 3 " | 3 " |
| Rate of Interest in the Open Market on Government Paper | 1 " | 1 " | 1 " | 1 " | 1 " | 2 " | 3 " | 3 " | 3 " | 3 " | 3 " |
| **Money Market** | Quiet. | Quiet. | Quiet. | Quiet. | Quiet. | Firmer. | Quiet. | Quiet. | Quiet. | Firmer. | Steady. |
| **GOVERNMENT SECURITIES.** | | | | | | | | | | | |
| | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. |
| Three and half per cent. | 98 8 0 | 98 4 0 | 98 8 0 | 98 8 0 | 98 12 0 | 98 11 0 | 97 9 0 | 98 11 0 | 98 6 0 | 98 12 0 | 98 13 0 |
| **Three per cent.** | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... |
| Four per cent. 1960/70 | 113 14 0 | 113 15 0 | 114 0 0 | 114 4 0 | 114 0 0 | 114 0 0 | 114 4 0 | 114 0 0 | 114 0 0 | 114 8 0 | 114 12 0 |
| Five per cent. tax-free 1945/55 | 129 7 0 | 129 7 0 | 129 4 0 | 129 4 0 | 119 14 0 | 119 12 0 | 119 0 0 | 119 14 0 | 119 3 0 | 119 5 0 | 119 6 0 |
| Means of Government Paper collected for London | Nil. | Nil. | Nil. | Nil. | 14,400 0 0 | 9,900 0 0 | Nil. | Nil. | Nil. | Nil. | Nil. |
| Government Paper collected from London to Bombay | 24,000 | Nil. | Nil. | 42,000 0 0 | 14,700 0 0 | 10,200 0 0 | Nil. | 2,300 0 0 | 10,000 0 0 | Nil. | Nil. |
| **IMPORTS.** | | | | | | | | | | | |
| Piecegoods Market | Steady. | Steady, little enquiry. | Steady, little enquiry. | Dull, no enquiry. | Steady, little wholesale enquiry. | Steady, no enquiry. | Steady, little enquiry. | Steady, little enquiry. | Firm, fair enquiry. | Steady, moderate enquiry. | Firm, with fair enquiry. |
| | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. |
| **Japanese Grey Shirtings**, Peach, 36" × 40 yards (per piece) | No stock. | No stock. | No stock. | No stock. | No stock. | No stock. | No stock. | No stock. | No stock. | No stock. | No stock. |
| " White " 600, 54" × 42 yards ( " ) | 11 0 0 | 10 15 0 | 10 14 6 | 10 15 0 | 10 14 6 | 10 15 6 | 11 2 0 | 11 2 0 | 11 2 0 | 11 2 0 | 11 3 0 |
| " Grey Yarn, Five Bar 2/42s (per lb.) | 0 13 3 | 0 13 2 | 0 13 4½ | 0 13 9 | 0 13 6 | 0 13 6 | 0 13 6 | 0 13 6 | 0 13 6 | 0 13 4½ | 0 13 4½ |
| **Copper Braziers** (in bundles) (per cwt.) | 45 0 0 | 47 0 0 | 45 0 0 | 44 8 0 | 44 8 0 | 44 8 0 | 44 0 0 | 44 8 0 | 44 4 0 | 44 0 0 | 44 0 0 |
| **Yellow Metal** ( " ) | 38 0 0 | 40 0 0 | 39 0 0 | 39 0 0 | 39 0 0 | 39 0 0 | 39 0 0 | 39 8 0 | 39 0 0 | 39 0 0 | 39 0 0 |
| **Continental Basic Steel Bars** ( " ) | 9 0 0 | 7 8 0 | 6 14 6 | 6 12 0 | 6 12 0 | 6 12 0 | 6 12 0 | 6 12 0 | 7 0 0 | 7 0 0 | 7 0 0 |
| " **Rail Rods** ( " ) | 9 10 0 | 9 4 0 | 8 0 0 | 7 4 0 | 7 8 0 | 7 0 0 | 7 0 0 | 7 4 0 | 7 8 0 | 7 8 0 | 7 8 0 |
| **Galvanized Corrugated Sheets** ( " ) | 11 12 0 | 11 12 0 | 11 10 0 | 11 4 0 | 10 4 0 | 9 4 0 | 10 0 0 | 10 2 0 | 10 5 0 | 10 7 0 | 10 9 0 |
| **Sugar**—Ordinary Crystals Duty (per cwt. ex Godown) | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... |
| **Sugar**—Java White Granulated T.M.G. quality (per cwt. ex Godown) | 13 8 0 | 13 8 9 | 13 8 6 | 13 7 0 | 13 4 0 | 13 6 9 | 13 5 0 | 13 2 0 | 13 3 0 | 13 10 0 | 13 6 9 |
| **Sugar**—African (per cwt. ex Godown) | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... |
| **Sugar**—Indian (per cwt. ex Godown) | 11 4 to 11 13 0 | 11 4 6 to 11 10 0 | 11 2 0 to 11 10 0 | 11 2 0 to 11 10 0 | 11 6 0 to 11 14 0 | 11 9 0 to 12 0 0 | 11 6 0 to 11 13 0 | 11 6 0 to 11 14 0 | 11 6 0 to 12 0 0 | 11 2 0 to 13 0 0 | 11 7 0 to 12 |
| **COAL.** | | | | | | | | | | | |
| **Indian Coal, F.O.R.—** | | | | | | | | | | | |
| Bengal Coal—Dishergarh (Selected Grade) F.O.R. (per ton) | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. |
| Bengal Coal—Jeharia (Selected Grade) F.O.R. ( " ) | 6 0 0 | 6 0 0 | 6 0 0 | 6 4 0 | 6 8 0 | 6 4 0 | 6 4 0 | 6 8 0 | 6 8 0 | 6 4 0 | 6 4 0 |
| Bengal Coal—Jeharia (Grade I) F.O.R. ( " ) | 6 0 0 | 6 0 0 | 5 0 0 | 5 4 0 | 5 8 0 | 5 8 0 | 5 8 0 | 5 8 0 | 5 8 0 | 5 4 0 | 5 4 0 |
| Bengal Coal—Central Provinces (1st class) F.O.R. ( " ) | 6 4 0 | 6 8 0 | 6 4 0 | 6 4 0 | 6 8 0 | 6 8 0 | 6 8 0 | 6 8 0 | 6 8 0 | 6 4 0 | 6 4 0 |
| Foreign Coal (C.I.F.)—Best Welsh all large (per ton) | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. |
| Foreign Coal (C.I.F.)—" " ¾ large and ¼ small ( " ) | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... |
| Foreign Coal (C.I.F.)—" Natal (Africas) ( " ) | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... |
| **EXPORTS.** | | | | | | | | | | | |
| **Cotton Exports.—** | | | | | | | | | | | |
| (Fully pressed, per Candy of 784 lbs.) | | | | | | | | | | | |
| **Cotton Market** | Steady. | Steady. | Quiet. | Steady. | Steady. | Steady. | Firm. | Quiet. | Weak. | Steady. | Quiet. |
| | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. |
| M. G. Bengals (Railway terms) ... F. G. | 140 0 0 Spot. | 142 0 0 Spot. | 141 0 0 Spot. | 136 0 0 Spot. | 137 0 0 Spot. | 138 0 0 Spot. | 139 0 0 Spot. | 137 0 0 Spot. | 130 0 0 Spot. | 131 0 0 Spot. | 130 0 0 Spot. |
| " " ( " ) ... F. G. | 142 0 0 Dec. Jan. 28. | 138 0 0 Dec. Jan. 1938. | 139 0 0 Dec. Jan. 1938. | 133 0 0 Mar. | 134 0 0 Mar. | 135 0 0 Mar. | 136 0 0 Mar. | 131 0 0 Mar. | 129 0 0 Mar. | 130 0 0 Mar. | 129 0 0 Mar. |
| " " ( " ) ... F. G. | 142 0 0 Mar. | 137 0 0 March 1938. | 135 0 0 March 1938. | 133 0 0 May | 134 0 0 May | 135 0 0 May | 136 0 0 May | 131 0 0 May | 131 0 0 May | 131 0 0 May | 130 0 0 May |
| " Oomra (Fair Staple) ... Fine | 164 0 0 Spot. | 165 0 0 Spot. | 158 0 0 Spot. | 154 0 0 Spot. | 158 0 0 Spot. | 159 0 0 Spot. | 162 0 0 Spot. | 164 0 0 Spot. | 157 0 0 Spot. | 154 0 0 Spot. | 155 0 0 Spot. |
| " " ( " ) ... Fine | 164 0 0 Dec. Jan. 28. | 162 0 0 Dec. Jan. 1938. | 156 0 0 Dec. Jan. | 155 0 0 Mar. | 155 0 0 Mar. | 156 0 0 Mar. | 159 0 0 Mar. | 161 0 0 Mar. | 155 0 0 Mar. | 152 0 0 Mar. | 150 0 0 Mar. |
| " " ( " ) ... Fine | 164 0 0 March 1938. | 161 0 0 March 1938. | 155 0 0 March 1938. | 152 0 0 May | 153 0 0 May | 157 0 0 May | 160 0 0 May | 162 0 0 May | 157 0 0 May | 154 0 0 May | 152 0 0 May |
| " Broach ... F. G. | 172 0 0 Apr. May 1938. | 170 0 0 Apr. May 1938. | 172 0 0 Apr. May 1938. | 169 0 0 Apr. May | 171 0 0 Apr. May | 173 0 0 Apr. May | 176 0 0 Apr. May | 178 0 0 Apr. May | 175 0 0 Apr. May | 171 0 0 Apr. May | 170 0 0 Apr. May |
| " " ( " ) ... F. G. | 174 0 0 Jul. Aug. 1938. | 181 0 0 July Aug. 1938. | 175 0 0 July Aug. 1938. | 172 0 0 July Aug. | 174 0 0 July Aug. | 177 0 0 July Aug. | 180 0 0 July Aug. | 183 0 0 July Aug. | 178 0 0 July Aug. | 174 0 0 July Aug. | 174 0 0 July Aug. |
| " " ( " ) ... F. G. | | | | | | | | | | | |

| Week ending 18th March 1938. | Week ending 25th March 1938. | Week ending 1st April 1938. | Week ending 8th April 1938. | Week ending 14th April 1938. | Week ending 22nd April 1938. | Week ending 29th April 1938. | Week ending 6th May 1938. | Week ending 12th May 1938. | Week ending 20th May 1938. | Week ending 27th May 1938. | Week ending 3rd June 1938. | Week ending 10th June 1938. | Week ending 17th June 1938. | Week ending 24th June 1938. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. |
| Is. 6 3/32d. | Is. 6 3/32d. | Is. 6 3/32d. | Is. 6 3/32d. | Is. 6d. | Is. 6d. | Is. 5¾d. | Is. 5¾d. | Is. 5¾d. | Is. 5¾d. | Is. 5¾d. | Is. 5 29/32d. | Is. 5 25/32d. | Is. 5¾d. | Is. 5 29/32d. |
| Is. 6 3/32d. | Is. 6 3/32d. | Is. 6 3/32d. | Is. 6 3/32d. | Is. 6d. | Is. 6d. | Is. 5¾d. | Is. 5¾d. | Is. 5¾d. | Is. 5¾d. | Is. 5¾d. | Is. 5 25/32d. | Is. 5 25/32d. | Is. 5¾d. | Is. 5 25/32d. |
| .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... |
| .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... |
| .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... |
| Is. 6 7/32d. | Is. 6 7/32d. | Is. 6 7/32d. | Is. 6 3/16d. | Is. 6 3/32d. | Is. 6 3/16d. | Is. 6 1/32d. | Is. 6d. | Is. 6d. | Is. 6d. | Is. 6d. | Is. 5 15/16d. | Is. 5 15/16d. | Is. 5 29/32d. | Is. 5 29/32d. |
| Is. 6 7/32d. | Is. 6¼d. | Is. 6d. | Is. 6 3/32d. | Is. 6¼d. | Is. 6 3/16d. | Is. 6 1/16d. | Is. 6 1/32d. | Is. 6 1/32d. | Is. 6 1/32d. | Is. 6 1/32d. | Is. 5 31/32d. | Is. 5 31/32d. | Is. 5 15/16d. | Is. 5 15/16d. |
| Is. 6 9/32d. | Is. 6 9/32d. | Is. 6 9/32d. | Is. 6¼d. | Is. 6 3/32d. | Is. 6 1/16d. | Is. 6 3/32d. | Is. 6 1/16d. | Is. 6 1/16d. | Is. 6 1/16d. | Is. 6 1/16d. | Is. 6d. | Is. 6d. | Is. 5 31/32d. | Is. 5 31/32d. |
| 1240 | 1246 | 1280 | 1265 | 1220 | 1217 | 1245 | 1355 | 1339 | 1328 | 1348 | 1340 | 1340 | 1342 | 1339 |
| 1265 | 1285 | 1300 | 1290 | 1245 | 1242 | 1270 | 1373 | 1365 | 1358 | 1368 | 1360 | 1360 | 1362 | 1359 |
| 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 |
| Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. |
| 76 10 0 | 76 0 0 | 76 0 0 | 76 0 0 | 76 0 0 | 76 2 0 | 76 10 0 | 76 10 0 | 76 10 0 | 76 10 0 | 76 10 0 | 76 12 0 | 76 12 0 | 76 12 0 | 76 12 0 |
| 34 12 0 | 34 12 6 | 34 15 3 | 34 15 6 | 34 15 6 | 34 12 6 | 34 14 9 | 34 14 3 | 34 15 6 | 35 1 0 | 35 2 6 | 35 6 3 | 35 6 0 | 35 9 6 | 35 9 3 |
| 22 11 8 | 22 12 8 | 22 12 0 | 22 12 0 | 22 14 0 | 22 9 6 | 22 12 3 | 22 10 9 | 22 8 9 | 22 9 0 | 22 11 6 | 22 10 6 | 22 10 9 | 22 12 6 | 22 11 6 |
| 51 0 0 | 51 7 0 | 48 14 0 | 48 11 0 | 48 13 0 | 49 12 0 | 49 12 0 | 49 8 0 | 49 9 0 | 49 8 0 | 49 8 0 | 49 15 0 | 49 11 0 | 49 9 0 | 50 0 0 |
| 51 10 0 | 51 9 0 | 49 0 0 | 48 10 0 | 48 14 0 | 49 8 0 | 49 10 0 | 49 4 0 | 49 7 0 | 49 4 0 | 49 5 0 | 49 12 0 | 49 9 0 | 49 8 0 | 49 13 0 |
| 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. |
| 2 „ | 2 „ | 2 „ | 2 „ | 2 „ | 2 „ | 2 „ | 2 „ | 2 „ | 2 „ | 2 „ | 2 „ | 2 „ | 2 „ | 2 „ |
| 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ |
| Steady. | Easier. | Quiet. | Quiet. | Quiet. | Quiet. | Quiet. | Quiet. | Quiet. | Quiet. | Quiet. | Quiet. | Quiet. | Quiet. | Very quiet. |
| Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. |
| 99 14 0 | 97 14 0 | 97 11 0 | 98 8 0 | 98 10 0 | 98 10 0 | 98 10 0 | 98 10 0 | 98 12 0 | 99 6 0 | 99 1 0 | 98 12 0 | 98 10 0 | 98 8 0 | 98 6 0 |
| .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... |
| 112 0 0 | 113 14 0 | 113 14 0 | 114 8 0 | 114 12 0 | 114 12 0 | 114 10 0 | 114 8 0 | 114 7 0 | 113 8 0 | 113 7 0 | 113 4 0 | 113 6 0 | 113 4 0 | 113 4 0 |
| 117 0 0 | 118 4 0 | 118 0 0 | 118 0 0 | 118 0 0 | 118 0 0 | 118 4 0 | 118 2 0 | 118 4 0 | 118 4 0 | 117 12 0 | 117 14 0 | 117 12 0 | 117 12 0 | 117 12 0 |
| Nil. | Nil. | 2,000 0 0 | Nil. | Nil. | Nil. | Nil. | Nil. | Nil. | Nil. | Nil. | Nil. | Nil. | Nil. | Nil. |
| Nil. | 1,200 0 0 | 24,000 0 0 | 5,000 0 0 | 3,000 0 0 | Nil. | 28,000 0 0 | 25,000 0 0 | 3,000 0 0 | Nil. | Nil. | Nil. | 2,500,000 0 0 | Nil. | Nil. |
| Firm; fresh buyer enquiry. | Steady, no enquiry. | Steady, little enquiry. | Steady, little enquiry. | Dull. | Steady, little enquiry. | Steady, little enquiry. | Quiet, little enquiry. | Steady, little enquiry. | Steady, no enquiry. | Dull, no enquiry. | Dull, no enquiry. | Steady, very dull. | Steady, little enquiry. | Steady, little enquiry. |
| Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. |
| No stock. | No stock. | No stock. | No stock. | No stock. | No stock. | No stock. | No stock. | No stock. | No stock. | 10 10 0 | 10 10 0 | 10 10 0 | 10 10 0 | 10 10 0 |
| 11 2 6 | 11 3 6 | 11 4 0 | 11 10 0 | 11 3 0 | 11 3 0 | 11 0 0 | 11 4 6 | 11 2 6 | 11 5 0 | 10 13 0 | 10 14 0 | 10 14 0 | 11 0 0 | 11 0 0 |
| 0 12 4½ | 0 13 4½ | 0 12 4½ | 0 13 4½ | 0 12 4½ | 0 12 4½ | 0 12 4½ | 0 13 2 | 0 13 1½ | 0 13 1½ | 0 13 1½ | 0 12 9 | 0 12 9 | 0 12 9 | 0 12 3 |
| 43 0 0 | 43 4 0 | 44 8 0 | 45 0 0 | 45 0 0 | 46 0 0 | 45 0 0 | 45 8 0 | 44 0 0 | 41 0 0 | 41 0 0 | 40 0 0 | 40 12 0 | 40 8 0 | 43 8 0 |
| 35 8 0 | 36 0 0 | 36 8 0 | 36 8 0 | 36 4 0 | 36 8 0 | 36 8 0 | 36 8 0 | 36 8 0 | 36 8 0 | 37 0 0 | 37 0 0 | 37 0 0 | 37 0 0 | 37 0 0 |
| 7 2 0 | 7 2 0 | 7 0 0 | 7 0 0 | 7 0 0 | 7 0 0 | 8 14 0 | 7 0 0 | 8 14 0 | 6 12 0 | 6 14 0 | 8 12 0 | 8 12 0 | 6 9 0 | 6 9 0 |
| 7 8 0 | 7 8 0 | 7 8 0 | 7 8 0 | 7 8 0 | 7 8 0 | 7 8 0 | 7 8 0 | 7 8 0 | 7 6 0 | 7 6 0 | 7 6 0 | 7 6 0 | 7 2 0 | 7 0 0 |
| .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... |
| 10 8 0 | 10 8 0 | 10 7 0 | 10 7 0 | 10 7 0 | 10 7 0 | 10 7 0 | 10 7 0 | 10 7 0 | 10 6 0 | 10 7 0 | 10 9 0 | 10 9 0 | 10 8 0 | 10 8 0 |
| .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... |
| .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... |
| 15 4 0 | 15 4 0 | 15 1 0 | 15 0 0 | 15 0 0 | 15 2 0 | 15 2 0 | 15 2 0 | 15 2 0 | 15 2 0 | 15 2 0 | 15 0 0 | 15 0 0 | 15 4 0 | 15 4 0 |
| .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... |
| 12 0 to 12 8 | 11 12 0 to 12 8 | 11 12 0 to 12 6 | 11 12 0 to 12 8 | 11 12 0 to 12 8 | 11 12 0 to 12 8 | 11 14 0 to 12 6 | 11 12 0 to 12 6 | 11 14 0 to 12 6 | 11 14 0 to 12 4 | 11 12 0 to 12 4 | 12 2 0 to 12 8 | 12 2 0 to 12 6 | 12 2 0 to 12 8 | 12 2 0 to 12 6 |
| Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. |
| 5 0 0 | 5 0 0 | 6 0 0 | 5 12 0 | 5 12 0 | 5 12 0 | 5 12 0 | 5 8 0 | 5 12 0 | 5 12 0 | 5 12 0 | 5 8 0 | 5 8 0 | 5 8 0 | 5 8 0 |
| 5 0 0 | 6 0 0 | 8 0 0 | 5 12 0 | 5 12 0 | 5 12 0 | 5 8 0 | 5 8 0 | 5 12 0 | 5 8 0 | 5 12 0 | 5 8 0 | 5 8 0 | 5 8 0 | 5 8 0 |
| 6 0 0 | 8 0 0 | 8 0 0 | 6 0 0 | 6 0 0 | 6 0 0 | 6 0 0 | 6 0 0 | 8 0 0 | 5 12 0 | 5 12 0 | 4 8 0 | 4 8 0 | 4 8 0 | 4 8 0 |
| 8 0 0 | 8 0 0 | 8 0 0 | 8 0 0 | 8 0 0 | 8 0 0 | 8 0 0 | 8 0 0 | 8 0 0 | 5 12 0 | 5 12 0 | 5 12 0 | 5 12 0 | 5 12 0 | 5 12 0 |
| £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. |
| .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... |
| .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... |
| Quiet. | Steady. | Steady. | Steady. | Steady. | Steady. | Weak. | Weak. | Weak. | Weak. | Dull. | Weak. | Steady. | Steady. | Firm. |
| Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. |
| 0 0 Spot. 128 | 0 0 Mar. 127 | 0 0 Spot. 124 | 0 0 Spot. 123 | 0 0 Spot. 126 | 0 0 Spot. 123 | 0 0 Spot. 117 | 0 0 Spot. 118 | 0 0 Spot. 116 | 0 0 Spot. 111 | 0 0 Spot. 106 | 0 0 Spot. 108 | 0 0 Spot. 108 | 0 0 Spot. 116 | 0 0 Spot. |
| 0 0 Mar. 126 | 0 0 May. 128 | 0 0 May. 123 | 0 0 May. 122 | 0 0 May. 125 | 0 0 May. 122 | 0 0 May. 116 | 0 0 May. 118 | 0 0 May. 115 | 0 0 May. 111 | 0 0 July. 106 | 0 0 July. 108 | 0 0 July. 108 | 0 0 July. 113 | 0 0 July. |
| 0 0 May. .. | .. | 128 0 0 July. 124 | 0 0 July. 123 | 0 0 July. 126 | 0 0 July. 124 | 0 0 July. 119 | 0 0 July. 120 | 0 0 July. 117 | 0 0 July. 122 | 0 0 Dec. 1938. 117 | 0 0 Dec. 1938. 121 | 0 0 Dec. 1938. 122 | 0 0 Dec. 1938. 128 | 0 0 Dec. 1938. |
| 0 0 Spot. 140 | 0 0 Mar. 146 | 0 0 Spot. 145 | 0 0 Spot. 140 | 0 0 Spot. 150 | 0 0 Spot. 147 | 0 0 Spot. 141 | 0 0 Spot. 145 | 0 0 Spot. 142 | 0 0 Spot. 124 | 0 0 Jan. 1939. 129 | 0 0 Jan. 1939. 130 | 0 0 Jan. 1939. 131 | 0 0 Jan. 1939. 140 | 0 0 Jan. 1939. |
| 0 0 Mar. 147 | 0 0 May. 146 | 0 0 May. 143 | 0 0 May. 144 | 0 0 May. 148 | 0 0 May. 145 | 0 0 May. 139 | 0 0 May. 143 | 0 0 May. 140 | 0 0 May. 134 | 0 0 July. 128 | 0 0 July. 130 | 0 0 July. 121 | 0 0 July. 130 | 0 0 July. |
| 0 0 May. 149 | 0 0 July. 148 | 0 0 July. 145 | 0 0 July. 146 | 0 0 July. 150 | 0 0 July. 147 | 0 0 July. 141 | 0 0 July. 146 | 0 0 July. 141 | 0 0 July. 144 | 0 0 Dec. 1938. 138 | 0 0 Dec. 1938. 142 | 0 0 Dec. 1938. 144 | 0 0 Dec. 1938. 151 | 0 0 Dec. 1938. |
| 0 0 Apr. 166 | 0 0 Spot. 160 | 0 0 Spot. 160 | 0 0 Spot. 162 | 0 0 Spot. 165 | 0 0 Spot. 162 | 0 0 Spot. 161 | 0 0 Spot. 167 | 0 0 Spot. 157 | 0 0 Spot. 148 | 0 0 July. 147 | 0 0 Spot. 144 | 0 0 Spot. 150 | 0 0 Spot. 150 | 0 0 Spot. |
| 0 0 July. 165 | 0 0 Apr. 163 | 0 0 Apr. 158 | 0 0 Apr. 160 | 0 0 Apr. 164 | 0 0 Apr. 161 | 0 0 Apr. 156 | 0 0 Apr. 160 | 0 0 Apr. 156 | 0 0 Apr. 150 | 0 0 July. 143 | 0 0 July. 143 | 0 0 July. 145 | 0 0 July. 150 | 0 0 July. |

| | | |

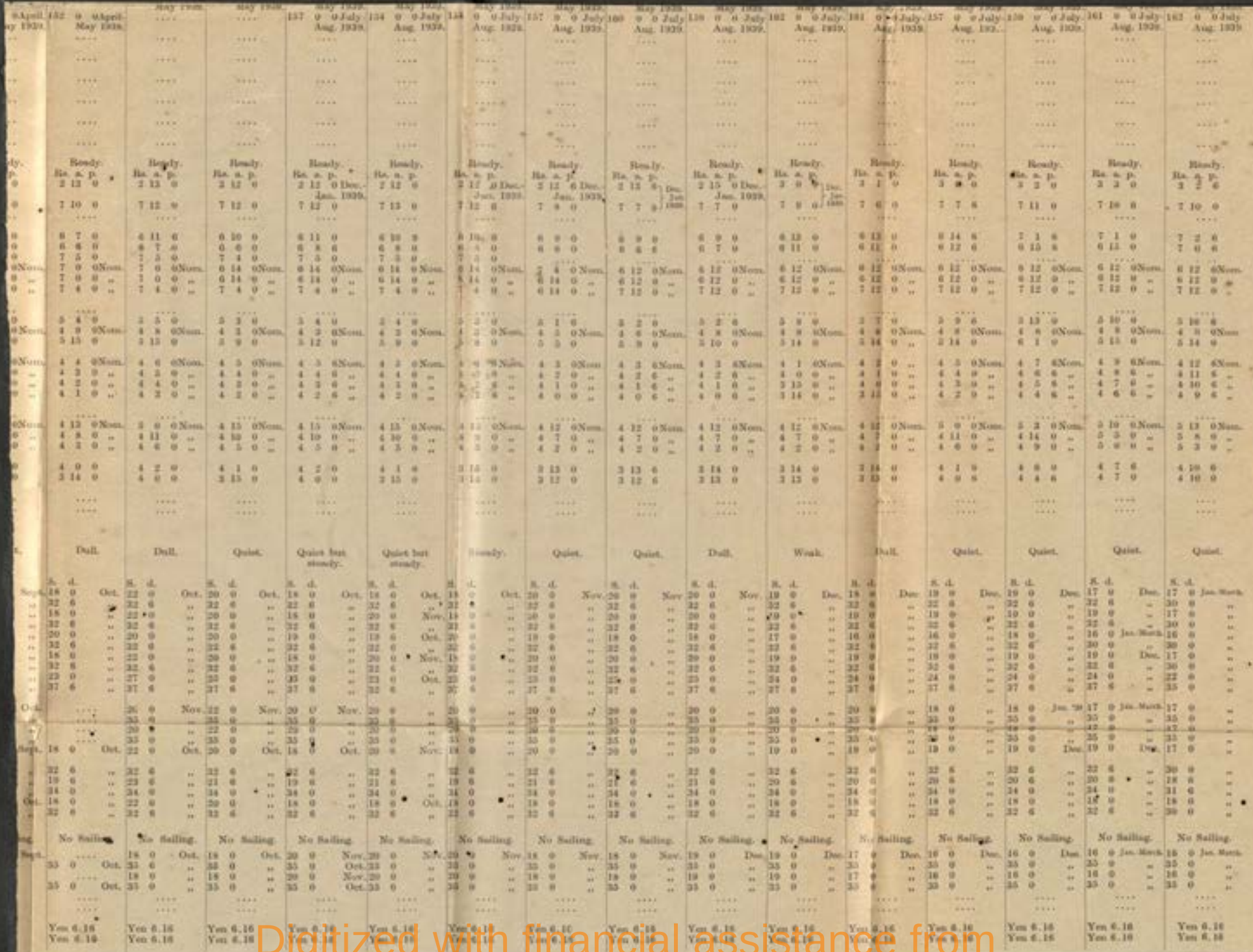
| | | |

# Current Quotations as estimated by the Committee of the Bombay

| QUOTATIONS | Week ending 1st July 1938. | Week ending 8th July 1938. | Week ending 15th July 1938. | Week ending 22nd July 1938. | Week ending 29th July 1938. | Week ending 5th Aug. 1938. | Week ending 12th Aug. 1938. | Week ending 19th Aug. 1938. | Week ending 26th Aug. 1938. | Week ending 2nd Sept. 1938. | Week ending 9th Sept. 1938. | Week ending 16th Sept. 1938. | Wk. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **EXCHANGE.** | | | | | | | | | | | | | |
| On England Bank Bills — Telegraphic Transfer | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | |
| Sight | 1s. 6 25/32d. | 1s. 5 7/8d. | 1s. 5 7/8d. | 1s. 5 7/8d. | 1s. 5 29/32d. | 1s. 5 29/32d. | 1s. 5 7/8d. | 1s. 5 7/8d. | 1s. 5 25/32d. | 1s. 5 27/32d. | 1s. 5 7/8d. | 1s. 5 7/8d. | 1s. |
| 3 Months' | 1s. 6 25/32d. | 1s. 5 7/8d. | 1s. 5 7/8d. | 1s. 5 7/8d. | 1s. 5 29/32d. | 1s. 5 29/32d. | 1s. 5 7/8d. | 1s. 5 7/8d. | 1s. 5 25/32d. | 1s. 5 27/32d. | 1s. 5 7/8d. | 1s. 5 7/8d. | 1s. |
| 4 " " | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | |
| 6 " " | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | |
| First Class Credits — 3 Months' Sight | 1s. 5 29/32d. | 1s. 6d. | 1s. 6d. | 1s. 6d. | 1s. 6d. | 1s. 6d. | 1s. 6d. | 1s. 6d. | 1s. 5 15/16d. | 1s. 5 31/32d. | 1s. 6d. | 1s. 6 1/16d. | 1s. 6 |
| 4 " " | 1s. 5 15/16d. | 1s. 6 1/32d. | 1s. 6 1/32d. | 1s. 6 1/32d. | 1s. 6 1/32d. | 1s. 6 1/32d. | 1s. 6 1/32d. | 1s. 6 1/32d. | 1s. 6d. | 1s. 6 1/32d. | 1s. 6 1/32d. | 1s. 6 3/32d. | 1s. 6 |
| 6 " " | 1s. 5 31/32d. | 1s. 6 3/32d. | 1s. 6 1/16d. | 1s. 6 1/16d. | 1s. 6 1/16d. | 1s. 6 1/16d. | 1s. 6 1/16d. | 1s. 6 1/16d. | 1s. 5 31/32d. | 1s. 6d. | 1s. 6 1/16d. | 1s. 6 3/16d. | 1s. 6 |
| French Francs, D/A. — Sight | 1,342 | 1,343 | 1,342 | 1,347 | 1,348 | 1,352 | 1,357 | 1,361 | 1,343 | 1,330 | 1,348 | 1,330 | 1,362 |
| " " " 3 Months' " | 1,362 | 1,363 | 1,362 | 1,367 | 1,368 | 1,372 | 1,380 | 1,383 | 1,362 | 1,350 | 1,368 | 1,350 | 1,410 |
| On Calcutta Bank Telegraphic Transfer | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1 |
| | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. |
| Mercantile Bills 60 days' Sight, (Jaguar per 100 Yen) | 76 12 0 | 76 12 0 | 76 12 0 | 76 12 0 | 76 12 0 | 76 12 0 | 76 12 0 | 76 12 0 | 77 0 0 | 77 0 0 | 77 0 0 | 76 14 0 | 77 |
| English Bar Gold (100 Touch per tola) | 35 8 0 | 35 8 0 | 35 8 0 | 35 11 3 | 35 9 6 | 35 12 3 | 35 11 0 | 36 0 3 | 36 1 3 | 36 3 0 | 36 3 3 | 36 6 0 | 36 |
| Sovereigns | 22 11 6 | 22 11 9 | 22 12 0 | 23 0 3 | 22 15 0 | 23 4 0 | 23 5 6 | 23 7 3 | 23 5 6 | 23 9 0 | 23 11 0 | 23 11 6 | 23 |
| Bar Silver — Ready | 50 2 0 | 50 3 0 | 50 7 0 | 50 12 0 | 50 14 0 | 50 14 6 | 51 2 0 | 51 4 0 | 51 0 6 | 50 14 6 | 50 10 6 | 51 14 0 | 51 |
| " Forward | 50 0 0 | 50 1 6 | 50 7 0 | 50 14 0 | 50 13 0 | 50 14 0 | 51 2 0 | 51 2 0 | 50 14 6 | 50 12 0 | 50 7 0 | 51 14 0 | 51 |
| **RATES OF DISCOUNT.** | | | | | | | | | | | | | |
| Bank Rate of Discount on Private Bills, 60 days' Sight | 2 per cent. | 2 per cent. | 2 per cent. | 2 per cent. | 2 per cent. | 2 per cent. | 2 per cent. | 2 per cent. | 2 per cent. | 2 per cent. | 2 per cent. | 2 per cent. | 2 per c |
| Bank Rate of Interest on Demated Loans, on Government Securities | 2 " | 2 " | 2 " | 2 " | 2 " | 2 " | 2 " | 2 " | 2 " | 2 " | 2 " | 2 " | 2 " |
| Rate of Interest in the Open Market on Government Paper | 2 " | 2 " | 2 " | 2 " | 2 " | 2 " | 2 " | 2 " | 2 " | 2 " | 2 " | 2 " | 2 " |
| **Money Market** | Very easy. | Easy. | Quiet. | Quiet. | Quiet. | Quiet. | Quiet. | Very dull. | Very easy. | Very easy. | Quiet. | Quiet. | Qu |
| **GOVERNMENT SECURITIES.** | | | | | | | | | | | | | |
| Three and a half per cent. | Rs. a. p. 98 8 0 | Rs. a. p. 99 1 0 | Rs. a. p. 99 0 0 | Rs. a. p. 99 3 0 | Rs. a. p. 99 3 0 | Rs. a. p. 99 3 0 | Rs. a. p. 99 1 0 | Rs. a. p. 99 2 0 | Rs. a. p. 99 3 0 | Rs. a. p. 99 2 0 | Rs. a. p. 98 14 0 | Rs. a. p. 98 2 0 | Rs. 97 |
| **Three per cent.** | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | |
| Four per cent., 1960/70 | 112 14 0 | 112 14 0 | 112 14 0 | 112 14 0 | 112 15 0 | 112 13 0 | 112 14 0 | 112 15 0 | 112 14 0 | 112 13 0 | 112 12 0 | 110 8 0 | 110 |
| Five per cent., Tax Free, 1945/55 | 117 12 0 | 117 14 0 | 118 1 0 | 118 2 0 | 118 3 0 | 118 1 0 | 118 1 0 | 117 15 0 | 118 0 0 | 117 14 0 | 117 14 0 | 115 8 0 | 115 |
| Bonds of Government Paper redeemed for London | Nil. | Nil. | Nil. | Nil. | 1,000 0 0 | Nil. | Nil. | Nil. | Nil. | Nil. | Nil. | Nil. | 100 |
| Government Paper ordered from London for Bombay | 12,400 0 0 | Nil. | 10,400 | Nil. | 11,400 0 0 | 4,200 0 0 | Nil. | Nil. | 42,300 0 0 | 3,700 0 0 | 12,400 0 0 | Nil. | 28,500 |
| **IMPORTS.** | | | | | | | | | | | | | |
| Piecegoods Market | Steady, little enquiry. | Steady, little enquiry. | Steady, no enquiry. | Steady, little enquiry. | Dull, no enquiry. | Dull, no enquiry. | Steady, little enquiry. | Steady, little enquiry. | Steady, little enquiry. | Very dull, no enquiry. | Little enquiry. | Firm. | Firm, g enquir |
| **Japanese Grey Shirtings,** Printed, 36" × 40 yards, (per piece) | Rs. a. p. 10 10 0 | Rs. a. p. 10 10 0 | Rs. a. p. 10 10 0 | Rs. a. p. 10 8 9 | Rs. a. p. 10 4 0 | Rs. a. p. 10 4 0 | Rs. a. p. 10 4 0 | Rs. a. p. 10 2 0 | Rs. a. p. 10 2 0 | Rs. a. p. 10 2 0 | Rs. a. p. 10 2 0 | Rs. a. p. 10 2 0 | Rs. a. p. 10 2 0 |
| **Japanese White Shirtings,** 800, 36" × 42 yds. (per piece) | 11 4 0 | 11 0 0 | 11 4 0 | 11 0 0 | 10 15 0 | 10 14 0 | 10 15 0 | 10 14 0 | 10 14 0 | 10 6 0 | 10 6 0 | 10 8 0 | 10 13 0 |
| **Japanese Grey Yarn,** Five Stars 2/42s (per lb.) | 0 11 9 | 0 12 0 | 0 12 0 | 0 12 0 | 0 12 0 | 0 12 0 | 0 12 0 | 0 12 0 | 0 12 0 | 0 12 3 | 0 12 3 | 0 12 3 | 0 12 3 |
| **Geyser Braziers** to handles — per cent. | 43 12 0 | 43 0 0 | 44 4 0 | 45 0 0 | 46 0 0 | 45 12 0 | 45 0 0 | 44 4 0 | 45 0 0 | 42 4 0 | 46 4 0 | 48 8 0 | 47 8 0 |
| **Yellow Metal** " | 37 0 0 | 38 0 0 | 37 8 0 | 37 8 0 | 38 0 0 | 38 0 0 | 38 3 0 | 37 12 0 | 37 12 0 | 38 0 0 | 38 0 0 | 42 0 0 | 42 0 0 |
| **Continental Basic Steel Bars** " | 6 8 0 | 6 10 0 | 6 10 0 | 6 10 0 | 6 10 0 | 6 10 0 | 6 12 0 | 6 12 0 | 6 12 0 | 6 10 0 | 6 10 0 | 6 14 0 | 6 14 0 |
| **Nail Rods** " | 7 0 0 | 7 2 0 | 7 2 0 | 7 2 0 | 7 2 0 | 7 2 0 | 7 2 0 | 7 2 0 | 7 2 0 | 7 2 0 | 7 2 0 | 7 2 0 | 7 2 0 |
| **Galvanised Corrugated Sheets** " | 10 8 0 | 10 14 0 | 10 14 0 | 11 10 0 | 12 0 0 | 11 10 0 | 11 8 0 | 11 8 0 | 11 8 0 | 11 8 0 | 11 8 0 | 11 12 0 | 11 12 0 |
| **Sugar** — Ordinary Crystals Beet (per cwt., ex godown) | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Java White Granulated | 15 4 0 | 15 4 0 | 15 4 0 | 15 4 0 | 15 4 0 | 15 8 0 Nom. | 15 8 0 Nom. | 15 8 0 Nom. | 15 8 0 Nom. | 15 8 0 Nom. | 15 8 0 | 15 8 0 | 15 8 0 |
| T. M. O. Quality | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| African | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Indian | 12 6 0 to 12 14 0 | 12 8 0 to 12 14 0 | 12 6 0 to 12 14 0 | 12 6 0 to 12 14 0 | 12 6 0 to 12 14 0 | 12 2 0 to 13 0 0 | 12 6 0 to 13 0 0 | 12 6 0 to 13 0 0 | 12 10 0 to 13 14 0 | 12 13 0 to 13 14 0 | 12 15 0 to 14 0 0 | 12 8 0 to 14 4 0 | 12 8 0 to 14 |
| **COAL.** | | | | | | | | | | | | | |
| **Indian Coal, F.O.R.** — | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. |
| Bengal Coal— | | | | | | | | | | | | | |
| Dudungarh, (Selected Grade) F.O.R. (per ton) | 5 8 0 | 5 8 0 | 5 8 0 | 5 8 0 | 5 8 0 | 5 8 0 | 5 8 0 | 5 8 0 | 5 8 0 | 5 8 0 | 5 8 0 | 5 8 0 | 5 8 0 |
| Jharia " | 5 8 0 | 5 8 0 | 5 8 0 | 5 8 0 | 5 8 0 | 5 8 0 | 5 8 0 | 5 8 0 | 5 8 0 | 5 8 0 | 5 8 0 | 5 8 0 | 5 8 0 |
| Jharia (Grade I) F.O.R. " | 4 4 0 | 4 4 0 | 4 4 0 | 4 4 0 | 4 4 0 | 4 4 0 | 4 4 0 | 4 4 0 | 4 4 0 | 4 4 0 | 4 4 0 | 4 4 0 | 4 4 0 |
| Central Provinces (1st class) F.O.R. " | 5 12 0 | 5 12 0 | 5 12 0 | 5 12 0 | 5 12 0 | 5 12 0 | 5 12 0 | 5 12 0 | 5 12 0 | 5 12 0 | 5 12 0 | 6 0 0 | 6 0 0 |
| Foreign Coal, (C.I.F.)— | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. |
| Best Welsh all large (per ton) | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| " " ¾ large and ¼ small " | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| " Natal (African) " | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| **EXPORTS.** | | | | | | | | | | | | | |
| **Cotton Exports**— | | | | | | | | | | | | | |
| (Fully pressed, per candy of 784 lbs.) | | | | | | | | | | | | | |
| **Cotton Market** | Steady. | Steady. | Weak. | Steady. | Weak. | Steady. | Weak. | Weak. | Firm. | Steady. | Weak. | Quiet. | Steady. |
| M. G. Bengals (Railway terms) F. G. | Rs. a. p. 114 0 0 Spot. | Rs. a. p. 122 0 0 Spot. | Rs. a. p. 118 0 0 Spot. | Rs. a. p. 122 0 0 Spot. | Rs. a. p. 121 0 0 Spot. | Rs. a. p. 119 0 0 Spot. | Rs. a. p. 112 0 0 Spot. | Rs. a. p. 113 0 0 Spot. | Rs. a. p. 117 0 0 Dec. Jan. 1939. | Rs. a. p. 120 0 0 Dec. Jan. 1939. | Rs. a. p. 117 0 0 Dec. Jan. 1939. | Rs. a. p. 120 0 0 Dec. Jan. 1939. | Rs. a. p. 115 0 0 Dec. Jan. 1939. |
| " " ( " ) F. G. | 113 0 0 July 1938. | 122 0 0 July 1938. | 117 0 0 July 1938. | 122 0 0 July 1938. | 125 0 0 Dec. Jan. 1939. | 122 0 0 Dec. Jan. 1939. | 117 0 0 Dec. Jan. 1939. | 117 0 0 Dec. Jan. 1939. | ..... | ..... | ..... | ..... | ..... |
| " " ( " ) F. G. | 126 0 0 Dec. Jan. 1939. | 132 0 0 Dec. Jan. 1939. | 123 0 0 Dec. Jan. 1939. | 129 0 0 Dec. Jan. 1939. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| " Oomras (Fair Staple) Fine. | 137 0 0 Spot. | 148 0 0 Spot. | 141 0 0 Spot. | 149 0 0 Spot. | 143 0 0 Spot. | 141 0 0 Spot. | 135 0 0 Spot. | 137 0 0 Spot. | 139 0 0 Dec. Jan. 1939. | 142 0 0 Dec. Jan. 1939. | 138 0 0 Dec. Jan. 1939. | 135 0 0 Dec. Jan. 1939. | 136 0 0 Dec. Jan. 1939. |
| " " ( " ) Fine. | 138 0 0 July | 145 0 0 July | 139 0 0 July | 144 0 0 July | 148 0 0 Dec. Jan. 1939. | 146 0 0 Dec. Jan. 1939. | 140 0 0 Dec. Jan. 1939. | 139 0 0 Dec. Jan. 1939. | ..... | ..... | ..... | ..... | ..... |
| " " ( " ) Fine. | 150 0 0 Dec. Jan. 1939. | 157 0 0 Dec. Jan. 1939. | 148 0 0 Dec. Jan. 1939. | 152 0 0 Dec. Jan. 1939. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| " " ( " ) Fine. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| " Broach Fine. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |

| | Week ending 16th Sept. 1938. | Week ending 23rd Sept. 1938. | Week ending 30th Sept. 1938. | Week ending 7th Oct. 1938. | Week ending 14th Oct. 1938. | Week ending 21st Oct. 1938. | Week ending 28th Oct. 1938. | Week ending 4th Nov. 1938. | Week ending 11th Nov. 1938. | Week ending 18th Nov. 1938. | Week ending 25th Nov. 1938. | Week ending 2nd Dec. 1938. | Week ending 9th Dec. 1938. | Week ending 16th Dec. 1938. | Week ending 23rd Dec. 1938. | Week ending 30th Dec. 1938. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. | Ready. |
| | 1s. 5 7/8d. | 1s. 5 7/8d. | 1s. 5 29/32d. | 1s. 5 29/32d. | 1s. 5 29/32d. | 1s. 5 29/32d. | 1s. 5 7/8d. | 1s. 5 29/32d. | 1s. 5 29/32d. | 1s. 5 7/8d. | 1s. 5 29/32d. | 1s. 5 7/8d. | 1s. 5 29/32d. | 1s. 5 29/32d. | 1s. 5 29/32d. | 1s. 5 29/32d. |
| | 1s. 5 7/8d. | 1s. 5 7/8d. | 1s. 5 29/32d. | 1s. 5 29/32d. | 1s. 5 29/32d. | 1s. 5 29/32d. | 1s. 5 7/8d. | 1s. 5 29/32d. | 1s. 5 29/32d. | 1s. 5 7/8d. | 1s. 5 29/32d. | 1s. 5 7/8d. | 1s. 5 29/32d. | 1s. 5 29/32d. | 1s. 5 29/32d. | 1s. 5 29/32d. |
| | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... |
| | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... |
| | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... |
| | 1s. 6 1/16d.<br>1s. 6 3/32d.<br>1s. 6 3/16d. | 1s. 6 1/16d.<br>1s. 6 3/32d.<br>1s. 6 3/16d. | 1s. 6 1/32d.<br>1s. 6 7/32d.<br>1s. 6 11/32d. | 1s. 6 1/32d.<br>1s. 6 1/16d.<br>1s. 6 1/8d. | 1s. 6 1/32d.<br>1s. 6 1/16d.<br>1s. 6 1/8d. | 1s. 6 1/32d.<br>1s. 6 1/16d.<br>1s. 6 1/8d. | 1s. 6 1/32d.<br>1s. 6 1/16d.<br>1s. 6 1/8d. | 1s. 6 1/32d.<br>1s. 6 1/32d.<br>1s. 6 3/32d. | 1s. 6 1/32d.<br>1s. 6 1/32d.<br>1s. 6 3/32d. | 1s. 6 1/32d.<br>1s. 6 1/32d.<br>1s. 6 1/32d. | 1s. 6 1/32d.<br>1s. 6 1/32d.<br>1s. 6 3/32d. | 1s. 6 1/32d.<br>1s. 6 3/16d.<br>1s. 6 3/16d. | 1s. 6 1/32d.<br>1s. 6 1/16d.<br>1s. 6 1/8d. | 1s. 6 1/32d.<br>1s. 6 1/16d.<br>1s. 6 3/32d. | 1s. 6 1/32d.<br>1s. 6 1/16d.<br>1s. 6 1/8d. | 1s. 6 1/32d.<br>1s. 6 1/16d.<br>1s. 6 1/8d. |
| | 1,350 | 1,362 | 1,390 | 1,365 | 1,360 | 1,357 | 1,358 | 1,370 | 1,357 | 1,355 | 1,352 | 1,347 | 1,348 | 1,344 | 1,340 | 1,340 |
| | 1,380 | 1,413 | 1,440 | 1,400 | 1,390 | 1,372 | 1,358 | 1,375 | 1,375 | 1,375 | 1,371 | 1,362 | 1,375 | 1,370 | 1,365 | 1,365 |
| | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 | 100 1/16 |
| | Rs. a. p.<br>26 14 0<br>34 8 0<br>23 11 0 | Rs. a. p.<br>77 6 0<br>36 6 0<br>23 6 0 | Rs. a. p.<br>77 0 0<br>36 1 0<br>23 7 6 | Rs. a. p.<br>77 0 0<br>36 2 0<br>23 6 6 | Rs. a. p.<br>77 0 0<br>36 10 3<br>23 9 0 | Rs. a. p.<br>77 0 0<br>36 8 0<br>23 7 0 | Rs. a. p.<br>77 0 0<br>36 7 9<br>23 6 9 | Rs. a. p.<br>77 0 0<br>36 8 0<br>23 8 6 | Rs. a. p.<br>77 0 0<br>36 10 3<br>23 8 6 | Rs. a. p.<br>77 0 0<br>36 15 6<br>23 11 6 | Rs. a. p.<br>77 0 0<br>37 6 3<br>23 14 0 | Rs. a. p.<br>77 0 0<br>37 4 3<br>23 11 0 | Rs. a. p.<br>77 0 0<br>37 6 6<br>23 12 6 | Rs. a. p.<br>77 0 0<br>37 4 6<br>23 12 6 | Rs. a. p.<br>77 0 0<br>37 4 0<br>23 13 6 | Rs. a. p.<br>76 0 0<br>37 4 3<br>23 13 0 |
| | 51 14 0<br>51 14 0 | 51 1 0<br>51 1 0 | 51 1 6<br>51 1 6 | 51 0 0<br>51 0 0 | 51 10 0<br>51 10 0 | 51 7 0<br>51 7 0 | 51 4 0<br>51 4 0 | 50 12 6<br>50 12 6 | 50 13 0<br>50 13 0 | 51 4 0<br>51 4 0 | 51 8 0<br>51 8 0 | 50 11 0<br>50 11 0 | 51 2 6<br>51 2 6 | 51 6 0<br>51 6 0 | 51 3 0<br>51 2 0 | 51 4 0<br>51 3 6 |
| | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. | 3 per cent. |
| | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ |
| | 2 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ | 3 „ |
| | Quiet. | Quiet. | Quiet. | Quiet. | Quiet. | Quiet. | Quiet. | Easy. | Quiet. | Quiet. | Easy. | Easy. | Quiet. | Firmer. | Very firm. | Firm. |
| | Rs. a. p.<br>98 2 0 | Rs. a. p.<br>97 6 0 | Rs. a. p.<br>97 12 0 | Rs. a. p.<br>98 10 0 | Rs. a. p.<br>98 3 0 | Rs. a. p.<br>98 2 0 | Rs. a. p.<br>98 0 0 | Rs. a. p.<br>98 2 0 | Rs. a. p.<br>98 8 0 | Rs. a. p.<br>98 7 0 | Rs. a. p.<br>98 3 0 | Rs. a. p.<br>98 9 0 | Rs. a. p.<br>98 4 0 | Rs. a. p.<br>98 5 0 | Rs. a. p.<br>98 5 0 | Rs. a. p.<br>98 3 0 Noms. |
| | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... | .... |
| | 110 8 0 | 110 12 0 | 111 0 0 | 112 2 0 | 112 2 0 | 112 0 0 | 111 14 0 | 111 8 0 | 111 8 0 | 111 6 0 | 111 4 0 | 111 3 0 | 111 4 0 | 111 2 0 | 111 4 0 | 111 4 0 Noms. |
| | 115 8 0 | 115 6 0 | 115 4 0 | 116 14 0 | 117 0 0 | 116 15 0 | 116 14 0 | 116 12 0 | 116 11 0 | 116 11 0 | 116 10 0 | 116 10 0 | 116 0 0 | 116 0 0 | 115 13 0 | 115 12 0 .. |
| | Nil. | 100 0 0 | 2,500 0 0 | 200 0 0 | Nil. | Nil. | 2,000 0 0 | Nil. | 2,000 0 0 | .... | .... | 100 0 0 | Nil. | Nil. | 22,300 0 0 | Nil. |
| | Nil. | 28,500 0 0 | Nil. | Nil. | 5,000 0 0 | Nil. | 1,[illegible] 0 0 | 1,33,000 0 0 | 16,400 0 0 | 12,000 0 0 | Nil. | 1,800 0 0 | 10,000 0 0 | 8,100 0 0 | Nil. | 68,000 0 0 |
| | Firm. | Firm, good enquiry. | Steady, little enquiry. | Steady, little enquiry. | Steady, little enquiry. | Steady, little enquiry. | Steady, little enquiry. | Declining. | Dull, no enquiry. | Dull, no enquiry. | Dull, no enquiry. | Dull, no enquiry. | Dull, no enquiry. | Dull, no enquiry. | Dull, no enquiry. | Dull, with very small enquiry. |
| | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. |
| | 10 2 0 | 10 2 0 | 10 2 0 | 10 0 0 | 10 0 0 | 10 0 0 | 10 0 0 | 10 0 0 | 10 0 0 | 9 8 0 | 9 8 0 | 9 8 0 | 9 4 0 | 9 4 0 | 9 4 0 | 9 2 0 |
| | 10 8 0<br>9 12 3 | 10 12 6<br>9 12 3 | 10 14 0<br>9 11 9 | 10 10 0<br>9 11 9 | 10 6 0<br>9 11 0 | 10 8 0<br>9 10 9 | 10 6 0<br>9 10 9 | 10 4 0<br>9 10 9 | 10 2 0<br>9 10 9 | 10 0 0<br>9 10 6 | 10 0 0<br>9 10 6 | 9 15 0<br>9 10 6 | 9 12 0<br>9 10 6 | 9 12 0<br>9 10 0 | 9 14 0<br>9 9 9 | |
| | 48 8 0<br>42 0 0<br>6 14 0 | 47 8 0<br>42 0 0<br>7 8 0 | 48 2 0<br>42 0 0<br>6 10 0 | 48 12 0<br>42 8 0<br>6 10 0 | 50 0 0<br>43 0 0<br>6 10 0 | 49 0 0<br>43 0 0<br>6 10 0 | 49 0 0<br>42 0 0<br>6 12 0 | 48 4 0<br>41 0 0<br>6 12 0 | 50 4 0<br>41 8 0<br>6 12 0 | 48 10 0<br>40 8 0<br>6 12 0 | 50 0 0<br>40 8 0<br>6 11 0 | 49 0 0<br>40 0 0<br>6 12 0 | 48 0 0<br>40 0 0<br>6 11 0 | 48 0 0<br>40 0 0<br>6 11 0 | 48 0 0<br>40 0 0<br>6 10 0 | 49 8 0<br>40 8 0<br>8 10 0 |
| | 7 2 0 | 7 2 0 | 7 12 0 | 7 0 0 | 7 0 0 | 7 2 0 | 7 0 0 | 7 4 0 | 7 4 0 | 7 4 0 | 7 8 0 | 7 8 0 | 7 6 0 | 7 6 0 | 7 6 0 | 7 6 0 |
| | 11 12 0 | 11 13 0 | 12 0 0 | 11 10 0 | 11 8 0 | 11 7 0 | 11 10 0 | 11 9 0 | 11 8 0 | 11 9 0 | 11 10 0 | 11 12 0 | 11 11 0 | 11 11 0 | 11 9 0 | 11 9 0 |
| | 15 8 0 Noms. | 15 8 0 Noms. | 15 8 0 Noms. | 15 8 0 Noms. | 15 12 0 Noms. | 15 12 0 Noms. | 15 12 0 Noms. | 15 12 0 Noms. | 15 12 0 Noms. | 15 12 0 Noms. | 15 12 0 Noms. | 15 12 0 Noms. | 15 12 0 Noms. | 15 12 0 Noms. | 16 1 0 Noms. | 16 12 0 Noms. |
| | 12 8 0 to 14 14 0 | 13 4 0 to 14 8 0 | 13 4 0 to 14 8 0 | 14 4 0 to 14 8 0 | 14 0 0 to 14 12 0 | 14 0 0 to 14 12 0 | 14 0 0 to 14 12 0 | 14 0 0 to 14 12 0 | 14 0 0 to 14 12 0 | 14 0 0 to 14 12 0 | 13 15 0 to 14 11 0 | 13 [illegible] to 14 11 0 | 14 0 0 to 15 6 0 | 14 8 0 to 15 4 0 | 14 14 0 to 15 12 0 | 14 10 0 to 15 9 0 |
| | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. | Rs. a. p. |
| | 5 8 0<br>5 8 0<br>4 8 0<br>6 0 0 | 5 8 0<br>5 8 0<br>4 8 0<br>6 0 0 | 5 8 0<br>5 8 0<br>4 8 0<br>6 0 0 | 5 8 0<br>5 8 0<br>4 8 0<br>6 0 0 | 5 8 0<br>5 8 0<br>4 8 0<br>6 0 0 | 5 8 0<br>5 8 0<br>4 8 0<br>6 0 0 | 5 8 0<br>5 8 0<br>4 8 0<br>6 0 0 | 5 4 0<br>5 4 0<br>4 8 0<br>6 0 0 | 5 8 0<br>5 8 0<br>4 8 0<br>5 12 0 | 5 8 0<br>5 8 0<br>4 8 0<br>5 12 0 | 5 8 0<br>5 8 0<br>4 8 0<br>5 12 0 | 5 8 0<br>5 8 0<br>4 8 0<br>5 12 0 | 5 8 0<br>5 8 0<br>4 8 0<br>5 12 0 | 5 8 0<br>5 8 0<br>4 8 0<br>5 12 0 | 5 8 0<br>5 8 0<br>4 8 0<br>5 12 0 | 5 8 0<br>5 8 0<br>4 8 0<br>5 12 0 |
| | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. |
| | Quiet. | Steady. | Steady. | Weak. | Weak. | Steady. | Weak. | Steady. | Firm. | Weak. | Steady. | Steady. | Weak. | Steady. | Steady. | Firm. |
| | Rs. a. p.<br>[illegible] 0 0 Dec. Jan. 1939. | Rs. a. p.<br>115 0 0 Dec. Jan. 1939. | Rs. a. p.<br>115 0 0 Dec. Jan. 1939. | Rs. a. p.<br>117 0 0 Dec. Jan. 1939. | Rs. a. p.<br>117 0 0 Dec. Jan. 1939.<br>139 0 0 March 1939. | Rs. a. p.<br>117 0 0 Dec. Jan. 1939.<br>134 0 0 March 1939. | Rs. a. p.<br>120 0 0 Dec. Jan. 1939.<br>137 0 0 March 1939. | Rs. a. p.<br>117 0 0 Dec. Jan. 1939.<br>118 0 0 March 1939. | Rs. a. p.<br>120 0 0 Dec. Jan. 1939.<br>121 0 0 March 1939. | Rs. a. p.<br>122 0 0 Dec. Jan. 1939.<br>122 0 0 March 1939. | Rs. a. p.<br>123 0 0 Dec. Jan. 1939.<br>124 0 0 March 1939. | Rs. a. p.<br>123 0 0 Spot.<br>122 0 0 Dec. Jan. 1939.<br>123 0 0 March 1939. | Rs. a. p.<br>120 0 0 Spot.<br>119 0 0 Dec. Jan. 1939.<br>120 0 0 March 1939. | Rs. a. p.<br>124 0 0 Spot.<br>122 0 0 Dec. Jan. 1939.<br>121 0 0 March 1939. | Rs. a. p.<br>133 0 0 Spot.<br>123 0 0 Dec. Jan. 1939.<br>123 0 0 March 1939. | Rs. a. p.<br>126 0 0 Spot.<br>123 0 0 Dec. Jan. 1939.<br>123 0 0 March 1939. |
| | [illegible] 0 0 Dec. Jan. 1939. | 116 0 0 Dec. Jan. 1939. | 117 0 0 Dec. Jan. 1939. | 119 0 0 Dec. Jan. 1939. | 138 0 0 Dec. Jan. 1939.<br>140 0 0 March 1939. | 137 0 0 Dec. Jan. 1939.<br>139 0 0 March 1939. | 139 0 0 Dec. Jan. 1939.<br>140 0 0 March 1939. | 140 0 0 Dec. Jan. 1939.<br>144 0 0 March 1939. | 142 0 0 Dec. Jan. 1939.<br>145 0 0 March 1939. | 145 0 0 Dec. Jan. 1939.<br>145 0 0 March 1939. | 150 0 0 Dec. Jan. 1939.<br>148 0 0 March 1939. | 150 0 0 Spot.<br>147 0 0 Dec. Jan. 1939.<br>147 0 0 March 1939. | 148 0 0 Spot.<br>143 0 0 Dec. Jan. 1939.<br>145 0 0 March 1939. | 152 0 0 Spot.<br>148 0 0 Dec. Jan. 1939.<br>146 0 0 March 1939. | 152 0 0 Spot.<br>149 0 0 Dec. Jan. 1939.<br>146 0 0 March 1939. | 151 0 0 Spot.<br>148 0 0 Dec. Jan. 1939.<br>147 0 0 March 1939. |
| | 140 0 0 April. | 140 0 0 Spot. | 153 0 0 April. | 136 0 0 April. | 135 0 0 April. | 133 0 0 April. | 153 0 0 April. | 153 0 0 April. | 156 0 0 April. | 159 0 0 April. | 161 0 0 April. | 160 0 0 April. | 156 0 0 April. | 159 0 0 April. | 160 0 0 April. | 161 0 0 April. |

| | | |



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